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REVIEW
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A Weekly Newspaper Established in 1917

Yin Ju-keng Also Wants "Democracy and United Front"

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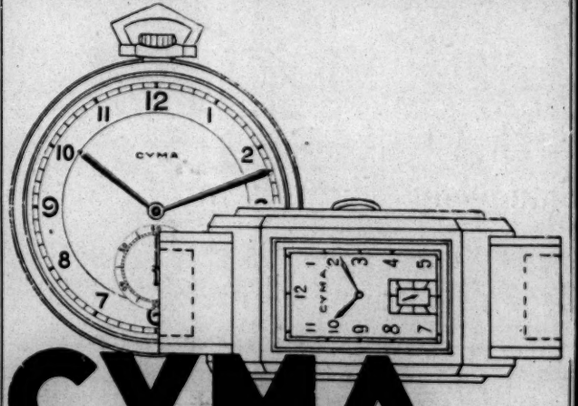

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HOW EGYPT OBTAINED ABOLITION OF CAPITULATIONS

LAST year when Mussolini invaded Abyssinia there were serious repercussions in Egypt which adjoined the country the Italian dictator was seeking to annex. In order to reassure the Egyptians, Great Britain, long the controller of Egypt, made a new treaty wherein Britain ceased to be Egypt's boss and, according to Anthony Eden, Foreign Secretary, became her "partner." Skeptics alleged that the British Conservatives were compelled to institute great reforms in Egypt that they otherwise might not have granted in a quarter century under ordinary conditions. But as an earnest of their good faith the British Government promised to urge Egypt's admission to the League of Nations and also promised to ask eleven other nations, which like the British have long enjoyed exterritorial rights for their citizens in Egypt, to surrender same.

About the middle of April, Britain in accordance with her promise cooperated with Egypt in inviting representatives of twelve capitulatory powers, including the United States, to meet in a hotel at Montreux, Switzerland where the subject was discussed. The Chairman was Premier Mustafa El Nahas Pasha of Egypt. The following from *Time Magazine* (April 26) explains what happened, excepting that it does not mention the duration of the period of transition which must elapse before Egypt gains complete autonomy in the operation of her courts. However, a dispatch from Montreaux, stated that the French representative had refused to surrender extrality rights until after a period of a dozen years. The report from *Time* follows:

Capitulations, the sharpest thorn in Egypt's flesh, are partly fiscal, partly juridical. Foreigners in Egypt are not forced to pay taxes to the Egyptian Governmen'; foreigners involved in criminal cases go before their own consular courts, while civil cases go before mixed courts on which foreign representatives sit. Specially oppressive to Egypt are the fiscal capitulations because more than $12,000,000,000 of foreign money is invested in that country, and owing to tax immunities the Egyptian Government is deprived of what it

considered a large legitimate income. The U. S. has nearly $15,000,000 invested there, represented by the American University of Cairo, a hospital, mission schools and such companies as General Motors and Socony-Vacuum Oil.

Because delegates from Italy, Portugal and Spain were present when the Conference opened, each eyeing the others with a smoldering eye, Premier Nahas tactfully suggested that the usual exchange of cards should be cut out. The "family atmosphere," created by the hotel, he declared, made formality unnecessary.

Cool and self-confident was Premier Nahas for he knew he had the whip hand. Egypt off her own bat can legally renounce the capitulatory privileges of any power as she did in 1923 in Russia's case. The Premier preferred not to resort to highhandedness, yet it was crystal-clear to the delegates that he had won his battle before he started. The nub of the discussion was whether or not Egypt would be willing to abolish capitulations by slow degrees.

Bluntly Premier Nahas told the delegates what he wanted—immediate abolition of fiscal privileges for foreigners. If the Conference met him on that he would agree to a gradual assumption of Egyptian court control.

Next day U. S. Minister Bert Fish, one of northeastern Florida's wealthiest men, handsomely backed the Egyptians with many a mention of President Roosevelt's "good-neighbor policy." Declared Minister Fish: "The U.S. will pursue no exclusively national interest . . . We warmly compliment Egypt on beginning her international career by choosing the way of friendly negotiation."

Observing the Conference was ex-King Amanullah of Afghanistan and a Chinese official "privately" picking up tips for the time when China will launch her own campaign against extraterritorial rights.

WHY ARE SO MANY JAPANSES WAR OFFICE OFFICIALS NOW IN CHINA?

THE venue of the conference of Japanese military officials previously announced to take place in Hankow this week was altered to Shanghai. Among those who attended the conference in Shanghai this week were the following:

Col. Batche, representing General Tashiro;

Col. Ueda, of the General Staff, representing the Kwantung Army;

Lieut.-Col. Ezamuchi, War Office agent in Hankow;

Major Utzonomia, adviser to General Kita on Foreign Affairs;

Col. Kazimoto, head of the Chinese section;

Major Sakata, aide to General Kita;

Col. Kumakawa, aide to General Kita;

Lieut.-Col. Miyazaki, resident officer in Canton;

Major Magata of the Tokyo General Staff;

Col. Uima of the General Staff and others from the Tokyo General Staff.

It so happens that the latest incident at Swatow, which has been the cause of the concentration of several Japanese warships at that southern port, coincides with the visits to China of numerous highly-placed Japanese military and naval officials. Prominent among them is General Abe, who occupies one of the highest positions in military circles in the Island Empire, who has been making a tour of Southern and Western China, just as General Kita has been doing. The aim of both these high Japanese military officers, who are members of the Supreme War Council in Japan is, obviously, to acquaint themselves with the present military situation in China. It is rumored also that they are fomenting intrigue among several of the provincial generals to oppose the Central Government. A recent arrival in Shanghai was Admiral Takahashi, also a member of the Supreme War Council, who will be remembered as having taking a very firm attitude as the time of the military mutiny in Tokyo in February of last year. Admiral Takahashi addressed the members of the Shanghai branch of the Japan Navy League, gathered for their annual meeting at the hall of the Japanese Club in Shanghai, May 26. Just recently also the Fascist-inclined Admiral Suetsugu had been making a tour of North China.

The concentration of so many highly-placed Japanese military officials in the country at the same time has given rise to considerable uneasiness in Chinese circles, where fear is expressed that these movements may possibly presage some well-planned *coup d'etat*. In this connection there are indications that the Japanese Government is about to launch a determined "drive" among the European Powers to secure formal recognition of the Japanese-supported puppet state of Manchukuo. There has been a remarkable concentration in North China and Manchuria of late of newly appointed Ambassadors and Ministers who are on the eve of proceeding to their posts in Europe—among them Mr. Hota, newly appointed Ambassador to Italy, Mr. Shirotori, the new Ambassador to Belgium, and most interesting of all, Mr. Amau, until recently spokesman of the Tokyo Foreign Office, who has been appointed Minister to Switzerland. Mr. Amau arrived in Shanghai this week on the first leg of a tour of Central China, North China and Manchukuo, before returning to Japan late in June. Mr. Amau, as the head of the Gaimusho's Bureau of Information, gained notoriety by his "Hands-Off China" statement of April 16, 1934. Among numerous other Japanese officials designated for European posts, who are at present making a tour of North China and Manchuria, is Mr. Shigoto, Consul in Amsterdam—in addition to a number of Japanese Consuls stationed in Germany.

AMBASSADOR BOGOMOLOFF ENTERTAINS AT A LAVISH RECEPTION

UPWARDS of 500 persons, including diplomatic and consular representatives from practically every country (including Japan, Germany and Italy), and of course Chinese, attended a reception given in Shanghai on May 22 by Mr. D. V. Bogomoloff, Ambassador from the U. S. S. R. to China. Let it be stated at the outset that the entertainment whether musical, liquid or culinary, was of the highest order. It

might have come as a surprise to many that the Soviet Government, founded on the idea that the *bourgeoisie* were to be exterminated, should entertain on so lavish a scale—one that the *bourgeoisie* would probably have envied. The truth of it is that the Soviet Government has developed considerably beyond the original foundations. Those who came after Lenin did practically the same kind of a job in Russia that John Marshall did with the Constitution of the United States; the foundations are still there, but the Fathers would in many respects fail to recognize it in its new dress.

One of the best examples of the trend in Russia is to be found in the extremely warm welcome which is being given to the new American Ambassador, Mr. Davies and his wife, who both make no effort to hide the fact that they are of the capitalistic class and believe in it. Mr. Davies says that he frequently points out to the Soviet officials that they are using the profit motive in order to get this or that work accomplished.

Getting back to the Bogomoloff reception, one might have thought that there would be speeches of a propaganda character extolling the glories of the second Five-Year Plan or the accomplishments of the Stakhanovites. But there was nothing of the sort. There was, however, plenty of good food and drink; and potential enemies chatted gaily together while they partook. It was the most subtle of all propaganda. Upton Sinclair, on seeing the public reaction to "The Jungle", expressed the lament that he aimed at reaching the heart of the public, but only succeeded in reaching their stomachs. But we rather imagine that the Soviets have a different idea, namely that they will reach the heart of the people by way of their stomachs—which is a formula almost as old as creation.

THE LATE JOHN D. ROCKEFELLER

JOHN D. Rockefeller, the elder, died at his home in Daytona Beach, Florida, May 23. Had he survived until July 14 he would have been 98 years of age. He was in many ways one of the most remarkable men that ever lived. He founded one of the greatest industrial corporations that the world has ever seen, and likewise, during his lifetime, distributed charities on a scale that were as wise in their conception as they were gigantic in their scope. His business ethics were at times open to question, but there can be little doubt that he was honest in his religious professions. It is always to be remembered that it was innate ability that brought him to the top, and although he crushed competitors with ruthlessness bordering on brutality, there are probably few of them who felt the sting of his competition who would not have applied the same methods to him if they had had the opportunity. He forged ahead in an era when the rules were about the same as they are in catch-as-catch-can wrestling—no holds were barred; if you caught your adversary unawares you simply flung him to the ground, and that was the end of it. The late John D. Rockefeller brought to the task of disposing of his wealth the same caution, the same acumen and the same good sense that he employed in accumulating it. Contrasted with the thousands of examples of people throughout the ages who have disposed of their money according either to frivolous, foolish or badly-conceived plans, the hundreds of millions which John D. Rockefeller has distributed are not only serving humanity at the present time, but will probably continue to do so for centuries to come.

Nearly every country in the world has benefitted as the result of the late Mr. Rockefeller's benefactions, probably none more so than China. The Rockefeller Foundation is one of the most useful institutions that could be conceived. The activities of the Foundation in China are supervised by the China Medical Board. Outstanding among the monuments to the generosity of the late Mr. Rockefeller is the Peking Union Medical College, to which the Foundation has contributed about eighteen million U. S. dollars. Other organizations which have benefitted from the Rockefeller millions are the Chinese Education Movement at Ting Hsien ("Ting Hsien Experiment"), the University of Nanking, Yenching University at Peiping, the National Health Administration at Nanking, the Ministry of Education, Lingnan University (Canton), Nankai University (Tientsin), the National Agricultural Research Bureau at Nanking, the National Central University at Nanking and the National Economic Council.

Snobbery Concerning Royalty Scored in House of Commons

In moving an amendment in the British House of Commons May 24 to limit the Civil List appropriation to a term of one year C. R. Atlee, leader of the opposition, made a ringing speech, in the course of which he said: "I don't think it right that the King should be expected to live always on parade, that he and his family should always be in the public eye. In late years there has been far too much boosting of royalty in the press and on the wireless. I don't think it is fair to the monarch, and it is unhealthy for the people. We have had fulsome adoration and a display of vulgar snobbery in a large section of the press, which is continually holding up the King and the Royal Family to the utmost kind of vulgar publicity—giving them the vulgar kind of boosting they would get if they were selling some of their own goods . . . I think it is undesirable that the public should be indoctrinated with an entirely false idea of the importance of the Throne."

Mr. Attlee emphasized that he did not advocate "running the monarchy on the cheap," but said "We don't make a god of an ordinary man in this country nor," he added, "would we strip the monarchy of all pageantry." "But," he declared, "there is a very great difference between occasional displays of pageantry and continual observance of ritual."

Continual ritual, Mr. Attlee contended, created a tendency for the King to be surrounded by only one type of person, and he suggested "a thorough revision of practices to bring kingship more in line with democratic life."

"We believe that the country is moving rapidly from a class state to the classless state," he proceeded.

Yin Ju-Keng Also Wants "Democracy and United Front"—East Hopei and Dr. Sun Yat-sen's Plan

FOR a period of three days, beginning with Monday, May 10, a cabinet committee of the Tokyo Government composed of representatives of the War and Navy departments and Ministry of Foreign Affairs, discussed the question of China policy. The discussions were based on recommendations taken to the Japanese capital by Shigeru Kawagoe, Ambassador to Nanking, who is now home on leave.

Following the conference Foreign Minister Naotake Sato was instructed by the Cabinet to order Mr. Kawagoe to return to China and advise the National Government of Japan's recognition of the gradual expansion of Nanking's power, *provided that the "special position" of Japan in North China is not infringed on.*

The *Kokumin,* a leading Tokyo newspaper, in the course of a summary of what was termed "New China Policy," declared:

"(5) Abolition of the East Hopei regime and acquisition of political power in North China, which Nanking reportedly intends to demand of Japan, if brought up by the Chinese at this time would tend to aggravate relations further. Thus the prudence of the Chinese regarding these matters is fully anticipated."

Other points in Japan's new policy, according to the *Kokumin,* included, (1) Japans appreciation of Nanking's gradually expanding power, "so long as the special position of Japan in North China is not infringed on; (2) Japan will, however guard against growing disturbance of peace and order in North China resulting from the compromise between Nanking and the Chinese communists; (3) Negotiations for adjustment of relations shall be started as soon as possible, the negotiations to be concerned exclusively with economic issues, political questions to be avoided for the time being; (4) In order to facilitate trade and economic cooperation in North China, the lowering of Chinese tariff duties on Japanese goods should be made an urgent question for negotiation; (5) See above; (6) Japan will cooperate with China against any nation attempting to "sacrifice" China, and would reject any proposal for bringing China under international control, but at the same time Japan will avoid friction with other countries interested in China.

***

In view of the now obvious intention of the Japanese Government not to abolish the so-called East Hopei administration (Full title, "East Hopei Autonomous Anti-Communist Government") it is of considerable value to examine the East Hopei set-up from two points of view: its relationship toward Peiping and Nanking, and its significance from the standpoint of the late Dr. Sun Yat-sen's program for the international development of China.

While the Chinese people generally have more or less forgotten the details of Dr. Sun Yat-sen's detailed plan for the reconstruction of China, those responsible for the carrying out of his policies at Nanking and elsewhere in the land cannot longer overlook the fact that development projects within the area embraced in East Hopei constituted the most vital phase of his vision for a New China.

Fifteen years ago the founder of the Kuomintang Party and the father of the nationalist movement, Dr. Sun Yat-sen, who possessed greater vision than any other political leader of his generation, wrote a book entitled "International Development of China," which makes startling reading today in that he forecasted developments now taking place in the Far East and in the world generally. But of most significance, from the standpoint of the future of the country, is the fact that developments now taking place in the northern Chinese provinces have not only scuttled Dr. Sun's plan but have paved the way for the eventual foreign control of the country.

General Gen Sugiyama, Japanese War Minister, declared a few days ago that China's present program of governmental centralization, replenishment of armament and strengthening of the nation's defences under anti-Japanese slogans were responsible for a fear in Japan that China "may ultimately resort to various steps to hinder the peaceful advances of the Japanese Empire at its very foundations."

***

A year and a half ago when Yin Ju-keng, with the backing of the Kwantung branch of the Imperial Japanese Army which controls Manchukuo, announced himself as chairman of the East Hopei Government there was considerable amusement in most world capitals. In Nanking there was deep indignation and embarrassment but publicly the officials of the National Government ridiculed the development as another "puppet set-up." Then Nanking issued an order for Yin's arrest, which order, if it ever was sent to Peiping, has never been executed despite the fact that Yin frequently visits Peiping and Tientsin and while in Peiping resides in a house which he rents from the Maritime Customs Administration controlled by the National Government. On occasions when Yin does not occupy his official residence in Peiping he spends the night in the Hotel de Pekin, well known to the Chinese authorities as well as the traveling public. Of the 1000-odd clerks and officials of various degrees of importance connected with the East Hopei administration, some 700 reside in Peiping

and travel back and forth between their homes and the "capital" at Tungchow in motor busses, somewhat as employes of the Chinese Municipality of Greater Shanghai travel back and forth between their offices at the New Civic Center and their homes in the foreign settlements.

In addition to these more or less obvious things the ridiculousness of the situation is still more apparent when it is known that at least a half dozen governmental departments of the East Hopei administration maintain offices in both Peiping and Tientsin, somewhat as the National Government at Nanking maintains branch offices in Shanghai.

But despite the fact that Yin's "rebel" capital is located only a dozen miles from the Peiping city gate and may be reached in forty minutes by motor car, there has never been any move on the part of Peiping officialdom to serve Nanking's order of arrest upon the person of the chairman of the East Hopei Government who goes about his activities without any apparent fear of interference by his more highly placed fellow countrymen in Peiping and Nanking.

Yin Ju-keng was born at Wenchow, Chekiang, which port is located, as an inspection of the map will disclose, only a short distance from the district where Gen. Chiang Kai-shek was born and spent his boyhood days. But while Gen. Chiang entered the army and devoted himself to military affairs, Yin was sent to Japan at a comparatively early age and was thoroughly trained in the Japanese language and culture, receiving a degree from Waseda University. Owing to his knowledge of the Japanese language and the fact his wife was Japanese, being the sister of an officer in the Kwantung branch of the Japanese Army, Yin often participated in Sino-Japanese negotiations or activities. He served for a time on the staff of Gen. Wu Teh-chen, Mayor of Greater Shanghai during the Japanese intervention and war early in 1932. He participated, probably as an interpreter, in the negotiation of the Tangku Truce which followed the Sino-Japanese hostilities over the Manchurian affair which took place in the vicinity of the Great Wall and on the outskirts of Peiping and Tientsin early in 1933. Soon after Yin was appointed one of the three Chinese commissioners of the so-called demilitarized zone, embracing about one-fourth of Hopei province which lies south of the Great Wall. The demilitarized zone, constituted a sort of buffer area from which the Chinese were compelled to withdraw their troops as a result of the Tangku Truce.

On Nov. 25, 1935 Yin Ju-keng, at a ceremony staged in a Confucian temple in the town of Tungchow a short distance east of the ancient capital at Peiping, declared the East Hopei district an "autonomous and anti-communist administration." Later the word *administration* was changed to "Government" and developments in the direction of more or less complete independence have been rapid since that time. Yin Ju-keng, who is five years the junior of his illustrious fellow provincial, is energetic and ambitious and seemingly is as straight-forward and courageous in his denunciations of Nanking as Nationalist officialdom has been in denouncing Yin and demanding the liquidation of his puppet regime. Recently he delivered two speeches which were broadcasted over a powerful new radio station which the Japanese military engineers constructed at the East Hopei capital. Incidentally this East Hopei radio station is the most powerful in northern China and broadcasts the post popular programs of "uncensored" news and music which can be picked up by listeners-in in Peiping-Tientsin and adjacent areas.

In the course of an interview with foreign newspaper correspondents in the East Hopei capital recently, Yin ridiculed the statements from Nanking that the National Government had demanded Japan's liquidation of the East Hopei Government as a condition for resuming negotiations for a general readjustment of relations between the two nations. In the first place Yin denied Japan's power to abolish the East Hopei regime which was described as a "popular manifestation of the people against the Kuomintang dictatorship at Nanking." But immediately following this statement, when Yin was asked what would happen in the event the Chinese Government, acting through Gen. Sung Cheh-yuan, should attempt to destroy the East Hopei Government by force, Yin replied, "But the Japanese authorities would never permit Gen. Sung to take such action." In this connection Yin made a significant gesture toward a newly constructed walled enclosure where some 300 Japanese soldiers and one of the numerous "special service missions" of the Japanese army are stationed. He also might have indicated the airfield belonging to the Kwantung army, the new military radio station, the network of new telegraph lines "constructed, financed and operated by Manchukuo," which link up every town and hamlet in the area, and the system of new roads and planned railways, also the work of engineers connected with "Manchukuo," meaning the Kwantung branch of the Imperial Japanese army which controls the Manchurian provinces which Japan seized from China six years ago.

But Yin was emphatic on the point that his action in setting up and *building-up* the East Hopei administration was a legitimate enterprise in view of the absence of democratic development at Nanking and declared there could be no reunification of East Hopei with Nanking until two things had been done: First, abolition of exclusive Kuomintang rule; and second, complete eli-

mination of all communist organizations and individuals from participation, directly or indirectly, in the administration of the country or parts thereof.

In other words Yin Ju-keng declared that the mission of East Hopei was to restore "democracy" to the Chinese people and the creation of a "united front"—against Russian-supported communism! As to the type of government which he preferred, Yin pointed to the design of the old republican flag on the subsidiary coins issued by his East Hopei bank and declared that he hoped to see a return to genuine republicanism, including a popularly elected president and parliament.

Yin apparently has no pangs of conscience over the havoc his East Hopei Government has caused in the economy of China through disruption of the Chinese customs administration. He said that Nanking's duties against certain classes of foreign merchandise are "too high" hence he had reduced his tariff to about one-fifth of that charged by Nanking. He was pained that Nanking should have regarded the transportation of some $250,000,000 worth of Japanese "hot" cargo through East Hopei as smuggling and pointed out that other nations could also take advantage of the opportunity, in fact he had already been approached by Tientsin representatives of certain large occidental concerns.

Yin's denunciation of the National Government for its delay in inaugurating a genuinely democratic government and in initiating policies designed to improve the livelihood of the agricultural and working classes constituted a lengthy document of some twenty pages embracing his latest radio broadcast, all of which has been translated into English and is being widely distributed. The East Hopei regime has also distributed recently the texts of two other radio broadcasts, one of which was of special significance in that it dealt with East Hopei's attitude toward Nanking's recent deal with the reds in Shensi. This address was delivered by Samuel W. Chang, a London educated Chinese who is a member of the East Hopei secretariat. Mr. Chang declared that communism still constituted the greatest obstacle to peace in the Far East and unless communism was completely eliminated Chinese national culture could not survive. He pointed out that the Kuomintang Party had cooperated with the Communists at first, "then the Party went against the reds, but now it is trying to tolerate the communists again . . . No nation following such a procedure can survive . . . first the communists were used in order that the Kuomintang could seize power; then the communists were repudiated in order to please the Shanghai financiers and elder statesmen; now they want to use the communists again in order to oppose Japan and maintain themselves in power . . . Nanking's 'cooperations and oppositions' to the communists have cost innumerable lives and sapped the vitality of the nation . . . and after a decade of bitter experience Nanking still does not realize that communists never keep their word, never announce their program in advance . . . when Nanking announces that its 're-marriage' with the reds is conditional it only amounts to playing the game of certain elements in the government who desire to retain power . . . It is these developments which explain why East Hopei will never become subject to the Nanking 'dictatorship' and will never sacrifice China's national culture handed down by the sages of the past and will never tolerate Russian-supported communism . . . East Hopei wants to unite with all anti-red factions and will never compromise on its determination to exterminate all reds and their doctrines . . . Those who think our work is only passive are seriously mistaken, or that it is concerned with the training of an anti-red army exclusively . . . East Hopei's program includes a thorough-going educational program designed to eliminate communistic thoughts from the hearts of the people and a return to the ideas and ideals of the ancient sages who taught loyalty, filial-piety, benevolence, love, faith and righteousness . . . When these virtues are firmly fixed in the hearts of the people they will constitute a bulwark against red doctrines . . . The best way to fight communism is to provide good government similar to what is being done in East Hopei where all banditry and oppression of the people have been banished . . . East Hopei is an ideal community where peace, reconstruction, educational and financial reforms have been inaugurated . . . it's an ideal political area where all men are being made conscious of their duties and made to realize the necessity of cooperating in the general good."

Yin Ju-keng might have gone further and declared that East Hopei constituted a political and economic laboratory for Sino-Japanese cooperation which has dangerous potentialities for the future of China as an independent state. The garrison of 300 Japanese troops in Tungchow, the East Hopei capital, constituting a portion of the 7,000-odd Japanese soldiers stationed in Peiping, Tientsin and at points along the railway running to Shanhaikwan, although only a dozen miles from Peiping where Japanese troops sit astride all railway junctions, is not a part of the so-called Japanese North-China Command, but is a portion of the Kwantung Army stationed in Manchukuo and along the Great Wall which separates Manchukuo from the East Hopei area.

East Hopei, although operated separately, is to all practical effect, a portion of Manchukuo. Its army, referred to as "pao-an-tui" or military-police, is Japanese trained (in anti-red warfare), and carries German-manufactured rifles.

The strength of the forces is variously estimated from 15,000 to 20,000, with 30,000 as the immediate objective. The recently opened East Hopei Bank has issued notes valued according to estimates in Peiping at $10,000,000 which soon will be expanded to $30,000,000. But the officials of East Hopei, who admit that the Japanese Bank of Chosen is the "father" of their new financial organ, claim that only $300,000 of new notes have been issued and that they do not intend to issue "more than $3,000,000." The new currency of East Hopei, according to the statements of East Hopei officials, is backed by gold reserves which shortly will be greatly increased as a result of extensive gold mining operations to be undertaken by the Chosen Gold Mining Corporation, Ltd., (London) and the Nurupi Gold Mining Corporation, Ltd., (Tokyo), the former being British and the latter Anglo-Japanese. The two inter-locking corporation have been engaged in gold mining operations in Korea for a dozen years and recently have been granted extensive concessions for placer-mining operations in six hsiens of East Hopei, in Inner-Mongolia and in Manchukuo where, according to the promoters, it is expected to produce at least Yen 150,000,000 worth of gold annually.

East Hopei has numerous Japanese advisers in all departments at the capital, Tungchow, and in each of the twenty-two hsiens. The textbooks used in the schools were written and printed in Manchukuo and the department of education has its quota of Japanese advisers. But despite its intimate relations with Japan and Manchukuo, particularly Manchukuo where a diplomatic representative is maintained, East Hopei is still Chinese territory, declared Mr. Yin. Actually, the twenty-two counties of East Hopei constitute the richest section of northern China if not the whole country. Aside from developed resources of coal, including the all-important British Kailan Administration at Tongshan and Chinwantao, there are important resources of iron, which, with those in Chahar and Shansi constitute China's most important deposits. Also there are pospects of rich gold deposits of placer type which can be worked cheaply and profitably even if the price of gold is reduced. Agriculturally the East Hopei district is also potentially important, particularly as a producer of raw cotton of improved type. Concessions have been granted to Japanese interests to develop extensive rayon or artificial silk mills along the coast south of Chinwantao which will use as raw product a species of grass or reeds which grow in great profusion in that area. The present population of Tungchow, capital of East Hopei is approximately 250,000, representing an increase from 225,000 when the East Hopei Government was established. Financially East Hopei has a budget of $25,000,000 annually, but it is claimed its actual revenues, including the toll on narcotics originating in Jehol and manufactured in Tangshan and elsewhere in the area, and the smuggling business, brings in from $40,000,000 to $50,000,000 a year. The Chinese authorities at Peiping allege that the Japanese use the revenues of East Hopei for financing their aggressive activities in North Chahar and Suiyuan and also in the northern Chinese provinces.

That the late Dr. Sun Yat-sen realized the strategic importance of the East Hopei district in the international development of China is significantly recorded in his book, written shortly following the close of the World War. After referring to the dislocation of industry which was certain to follow the closing down of vast industrial establishments which had fed the war activities of the various nations, Dr. Sun inquired, "Where in this world can Europe and America look for a market to consume this enormous saving from the war? If the billions of dollars worth of war industries can find no place in the post-bellum readjustments, then they will be a pure economic waste . . . the result will not only disturb the economic condition of the producing countries but will also be a great loss to the world at large."

Dr. Sun thus forecasted the devastating economic depression which swept the world, begining in 1929, as a direct result of the closing down of war industries following the peace (or armistice). He then called attention to the unlimited natural resources of China, the proper development of which would create an unlimited market for the whole world and would utilize the greater part, if not all of the billions of dollars worth of war industries which, at that time were being converted to peace time projects. Declared Dr. Sun: "China required machinery for her vast agriculture, extensive transportation systems and her public utilities . . . workshops which turned out cannon could turn out steam-rollers for building roads; workships which had turned out tanks could turn out trucks for transportation of raw and finished products . . . warring machinery could be converted into peacetime tools for the development of China's latent wealth."

To prove that it was not a hopeless dream, Dr. Sun evolved a program which he called the "International Developments of China," which filled a 250 page book, once widely read but now out of print and practically forgotten in the mad drive to prepare for another war. Dr. Sun had no illusions about the drift of world affairs and he realized the dangers inherent in the relations of China and Japan.

He proposed the creation of a "Great Northern Port," to be constructed on the Gulf of Chihli, the location to be midway between the mouths of the Tsingho and the Lwanho, on the cape of

the coastline between Taku and Chinwangtao. Calling attention to the vast undeveloped resources of coal and iron in the hinterland, Dr. Sun envisaged the construction of a network of railways radiating to the interior of northern, northwestern China, Inner-Mongolia and the Manchurian provinces and converging at the new port on the Gulf of Chihli. Dr. Sun believed that this "Great Northern Port" someday would become as important in the economy of the Asiatic continent as New York has been in the economy of the North American continent. He declared, "To the southwest are the provinces of Chihli (Hopei) and Shansi and the Hoangho valley with a population of nearly a hundred million. To the northwest are the undeveloped Jehol district and the vast Mongolian prairie with their virgin soil waiting for development, Chihli with its dense population and Shansi with its rich mineral resources have to depend on this port as their only outlet to the sea . . . And if the future Dolon Nor and Urga Railway is completed with connections to the Siberian line then Central Siberia will also have to use this as its nearest seaport. Thus a contributing or rather distributing area will be larger than that of New York. Finally this port will become the true terminus of the future Eurasia railway system which will connect the two continents. The land which we select to be the site of our projected port is now worth almost next to nothing. Let us say two or three hundred miles be taken as national property for our future city building . . . If within forty years we could develop a city as large as Philadelphia, not to say New York, the value alone would be sufficient to pay off the capital invested in its development."

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The foregoing paragraph constitutes a meager and inadequate description of Dr. Sun's complete program of this region, the most significant element of which was that it was centered in the area now embraced in the so-called East Hopei Autonomous Anti-Communist Government which is, for all practical purposes, a portion of the puppet state of Manchukuo. That Dr. Sun's program for the development of this region was sound has been proved by development projects now being put into effect within this area—by the Japanese—who obviously have no intention of surrendering control of this vitally important "key" district which will give them control of Northeastern Asia and unless blocked by superior force will ultimately give them control of China. From every possible standpoint concerned with the future of the nation, welfare of the people and prestige of the National Government the subject of the future disposition of East Hopei cannot be ignored by those upon whose shoulders rests the responsibility of governing the country!

Ambassador Bogomoloff Discusses New Soviet Constitution

D. V. Bogomolov, U.S.S.R. Ambassador to China, delivered an address on the New Constitution of the U.S.S.R. to the China Institute of Pacific Relations, the Pan-Pacific Association and the Sovieto-Chinese Association of Culture Relations in the Park Hotel, Shanghai, May 25.

The Ambassador opened his talk by referring to the "great deal of misunderstanding about the great economical, political and social changes which are taking place in my country." This misunderstanding, he charged, is due to prejudice.

"There is still too much prejudice in many capitalist countries towards the Soviet Union. There is still too much prejudice based on nothing else but hatred against a new social order. People brought up in the belief that the capitalist order is the higher form of human society in comparison with the former stages of its development, don't want to see that in the Soviet Union a newer and higher form of human society, which excludes the exploitation of man by man, has arisen: socialism." In contrast, he noted, Chinese public opinion, with a few exceptions, has, broadly speaking, rightly understood the great international importance of the new constitution.

"According to the new constitution," he said, "every citizen in the Soviet Union has the right to demand from the government payment according to the results of his labor." The basic principle of socialism as embodied in the new constitution is "From each according to the work performed."

Russia, he said is still very far from the communistic principle of "each according to his need" and for many years the socialist principle, "to each according to his work," must remain. The success of the Stakhanoff movement gives him assurance that some day the communist order will become a reality.

Mr. Bogomoloff emphasized the fact that under the new constitution the dictatorship of the proletariat still remains. The difference is that it is now the dictatorship of the former proletariat, the new working class.

"Our constitution is the most democratic constitution in the world," he declared, citing various provisions which give the vote to all citizens over 18. There are no racial limitations as in Germany, which disqualifies Jews, he said. There are no residence requirements, no limitations against Negroes.

He devoted part of his address to the provisions guaranteeing equality to the 60 nationalities that make up the U.S.S.R. and the provisions giving equality to women.

Dr. J. Usang Ly, President of Chiao-tung University, introduced the speaker.

British-Japanese Amenities Discussed by Tokyo Foreign Office

Reports surmising that Japan would recognize Britain's special position in Central and South China in exchange for British acknowledgement of Japan's interests in North China were denied by the Tokyo Foreign Office, May 20. A Foreign Office spokesman emphasized that the London conversations aimed at a readjustment of the entire field of Anglo-Japanese relations, but "not at the sacrifice of a third party." Japan, according to the Tokyo *Nichi Nichi*, would also agree to extend financial assistance to China in co-operation with Britain, while the latter would recognize "the realities pertaining to Manchukuo."

The *Shanghai Mainichi* May 19 commented:—"It goes without saying that the purpose of England in increasing its naval forces in Asia is to watch closely over the Oriental policy of Japan. Since England has no proper recognition of the real intention and limits of our Continental policy and that of our southerly advance in China, it is foolhardy for England to reorganize a huge Navy—as a consequence of which the Pacific will be made restless and tumultuous. Viewed from this standpoint, during the present Japano-British negotiations, it furnishes a good chance for England to rectify its recognition of Japan and to evade the unnecessary increase of armaments. The prevalence of the news regarding the conclusion of a non-aggression agreement in the Pacific is but the starting point for shaping an atmosphere in this connection. As a matter of fact, a pessimistic element has, as yet, existed as to its realization. There will be a direct effect on the mutual understanding between Japan and England, should the latter effect a decrease of the instability in the Pacific and withhold the increase of its armaments."

"Anglo-Japanese Talks to Enter Concrete Stage"—Sato

Anglo-Japanese negotiations for a wide-range readjustment of their relations will soon enter a stage where concrete proposals will be discussed, Naotake Sato, Foreign Minister, told his Cabinet colleagues in Tokyo, May 22.

Kawagoe Soon to Return with "New Concept" Instructions; Gen. Sung Orders Death for "Land Sellers"

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Chinese Are "Over-confident," Says War Minister Gen. Sugiyama.**
2. **Japanese Object to Presence of Chinese Police Foree in Tsingtao.**
3. **Gen. Sung Cheh-Yuan Orders Death for "Land Sellers" in North.**
4. **General Chiang Departs for Kuling After Brief Visit in Nanking.**
5. **Dr. H. H. Kung Leaves London for Geneva, Will Tour America in Junè.**
6. **Suiyuan Situation Again Tense, "Irregulars" Prepare New Attack.**
7. **Chinese Reds Want True Democracy in China and War With Japanese.**
8. **Tension in Szechwan Eased, Liu Hsiang Accepts Nanking's Orders.**

Equipped with instructions incorporating the rules of a unified Japanese policy towards China based on Foreign Minister Naotake Sato's "new concept" principle, Ambassador Shigeru Kawagoe will return to his post early in June, *Domei* reported May 22. The instructions will be drawn up by high Gaimusho officials following a series of conferences with representatives of other ministries. These discussions are expected to begin in Tokyo after the return of Toyotaro Yuki, Finance Minister, and Gen. Gen Sugiyama, Minister of War.

HSU SHIH-YING POSTPONES RETURN TO TOKYO

Despite his recovery from a recent attack of otitis, Hsu Shih-ying, Ambassador to Tokyo, will have to take a complete rest before he will be able to resume serious work, according to information from quarters close to him May 22. On account of the necessity of further recuperation, it was understood, the Ambassador to Japan has postponed his return to Tokyo to resume his duties.

CHINESE "OVER-CONFIDENT" SAYS GEN. SUGIYAMA

China's "over-confidence" in herself is causing her to adopt an attitude "insulting to Japan," Gen. Gen Sugiyama, Minister of War, told May 19 prefectural governors assembled in Tokyo for an emergency conference. "As the result of a centralization of power achieved under an anti-Japanese banner and the improvement of her armaments and defenses, China is tending to feel over-confident of her strength," the War Minister said, according to a *Domei* report. "This tendency is causing her to change her anti-Japanese attitude to one insulting to Japan," he added. In these circumstances, Gen. Sugiyama declared, "there is the danger" that China may soon adopt "all sorts or measures designed to balk our peaceful expansion at its very source."

JAPANESE OBJECT TO PRESENCE OF CHINESE POLICE IN TSINGTAO

A representation against the transfer of a strong police force from Haichow, Kiangsu, to Tsingtao has been filed with the Chinese authorities by Consul-General Masajiro O'aka, according to a *Domei* report. The force, numbering some 4,500 well armed men, was brought recently to Tsingtao and its suburbs, assertedly to combat smuggling. This force, the report said, entrenched itself in "semi-permanent forts, defended by field guns." The memorandum pointed out, according to the report, that the presence of such a force in Tsingtao was undesirable, as it could possibly lead to untoward incidents.

About 1,500 armed policemen, apparently forming a part of an anti-smuggling force, are massed near Nanchuan, 50 kms. northwest of Tsingtao, on the Tsinan-Tsingtao Railway. This was revealed May 21 by a group of Japanese military, naval, consular and police officials, who traveled to the spot to learn the strength of the unit and the reasons for its presence near Tsingtao. The Chinese force, according to the investigators, was formerly incorporated within the Second Division of the Central Army. The Unit was said to be armed with machine and field guns.

FOREIGN REPORTS ON MILITARY POST CHANGES REFUTED

Characterizing them as "malicious rumors," a spokesman of the military authorities in Nanking denied May 24 reports recently circulated by certain foreign papers in Peiping and Tientsin regarding the alleged changes of military posts in North China. The reports claimed that Gen. Chang Chun, Secretary-General of the Central Political Council, will succeed Gen. Sung Cheh-yuan as Chairman of the Hopei-Chahar Political Council, while Gen. Sung will be appointed as Pacification Commissioner for Honan in succession to Gen. Liu Shih, who will be given a similar post in Hopei and Chahar.

GEN. SUNG DECREES DEATH FOR "LAND SELLERS" IN NORTH

Determined to stop the "treacherous" trade of unscrupulous elements, Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, has ordered that the death penalty be inflicted on anyone who sells land to foreigners. This severe measure came as a result of recent discovery that secret land deals have been made between ignorant villagers and nationals of a "certain" foreign country.

Gen. Sung Cheh-yuan

In view of current reports that under connivance of unscrupulous officials, farmers in villages in the vicinity of Tientsin have secretly sold land to "foreigners," the Hopei Control Commissioner's Office has dispatched an official to Tientsin to investigate into the case.

The Hopei provincial government and the Liukiang Coal Mines in Hopei have been notified by the Ministry of Industries that the transfer of the Liukiang collieries to the Tai Chi Company, a Japanese firm, will not be recognized as valid. The Ministry's instructions pointed out that the Tai Chi Company has not acquired necessary qualifications of a legal corporation in China, and therefore the transfer was not to be regarded as legal.

DISMISSAL OF PEI-NING LINE HEAD DEMANDED, CHEN REFUTES CHARGES

Several civic bodies in Tientsin have decided to petition the Central Government to dismiss Chen Chueh-sheng, managing-director of the Peiping-Liaoning Railway Administr tion, for the part he played in selling scrap iron to the Japanese and for refusing to cooperate with the Customs preventive agents on the line, according to the *Morning News* in Nanking.

A vehement refutation of the charges recently leveled against him in a bill of impeachment by the Control Yuan in Nanking was made May 21 by Chen Chueh-sheng in a statement issued at Tientsin. The impeachment charged Mr. Chen with negligence of duty by defying orders of the Central Government as regards enforcement of preventive measures against the rampant smuggling in North China. The Peiping-Liaoning Railway, Mr. Chen's statement declares, has always realized that the rampancy of smuggling was threatening and sapping the country's economic strength, and has ever gladly given the closest cooperation to Customs preventive officers in the detection of smuggled goods on trains. Stating that the railway authorities have not been empowered to "act against smugglers," Mr. Chen laments the fact that Customs preventive officials have on more than one occasion either unheeded information furnished by the railway authorities regarding smugglers or acted on it "too late." "One must keep in mind," the statement continues, "that this railway administration is a purely transportation organization which, although working under the direction of the Ministry of Railways and the Hopei-Chahar Political Council, cannot be held responsible for the present smuggling situation, which is absolutely out of its control."

"NIPPO" WARNS NANKING ON NORTH CHINA SITUATION

A warning that the Japanese Government would be obliged to take appropriate steps for the protection of Japanese lives and property in North China if the situation shows further aggravation was sounded May 21 by the *Shanghai Nippo*. The journal intimated that the strong attitude assumed by the Central Government since the plenary session of the Central Executive and the Central Supervisory Committees of the Kuomintang in February was responsible for the current "friction" in the North. This stronger attitude, the daily explained, was made possible by the conclusion of an accord with the Communists in Shensi and Kansu. Instances of pressure exerted on North China by the Government, as enumerated by the *Nippo*, included:

1. Nanking's reported opposition to the construction of a railway between Tientsin and Shihchiachwang. This projected line is supported by Japanese authorities.
2. Institution of impeachment proceedings against Chen Chueh-sheng, managing director of the Peiping-Liaoning Railway, by the Control Yuan.

4. Alleged maltreatment of Koreans in Tsingtao and its suburbs.

5. The trip of 374 students of the Northeastern University in Peiping to Nanking, petition for the re-installation of Gen. Chang Hsueh-liang as the institution's chancellor.

The journal paid especial attention to the transfer of police to Shantung, declaring that Japan would take appropriate action to defend her interests in the province.

Denjiro Kato, first secretary of the Japanese Embassy in Peiping, visited May 19 Gen. Chin Teh-chun, Mayor of Peiping, to draw the latter's attention to an alleged recrudescence of anti-Japanese activities in North China in recent weeks, *Domei* learned. The Japanese official described his action as a "friendly warning."

APANESE CONSULAR CONFERENCE OPENS IN TIENTSIN, MORISHIMA PRESIDES

The much-heralded Japanese Consular Conference was opened May 24 at the official residence of the Japanese Consul-General in Tientsin, under the chairmanship of M. Morishima, newly appointed Counsellor to the Japanese Embassy in Peiping. Japanese consular respreentatives who attended the meeting, included Mr. Okaka from Tsingtao, Mr. Armo from Tsinan, Mr. Nakano from Kalgan, Mr. Kato from Hankow, and Mr. Horiuchi, the Consul General in Tientsin. In opening the conference, Mr. Morishima made a brief report on the purpose of the meeting and transmitted the instructions of the Gaimusho to the participating officials. Mr. Morishima's report was followed by individual reports of the conferees and exchange of views on various questions.

Interviewed May 18, Mr. Kato, First Secretary of the Japanese Embassy in Peiping, who has been transferred to the post of Japanese Consul-General in Hankow, said that M. Morishima was expected to arrive in Peiping about May 25. Mr. Morishima, who was until recently Director of the Bureau of Asiatic Affairs of the Foreign Office in Tokyo, was coming to China on a tour of inspection and would return to Tokyo about the end of this month before coming to Peiping again to assume his new post. Mr. Kato said he expected to return to Japan about the end of next month after he had handed over his duties to Mr. Morishima. After a brief rest in Japan, he would come to China again to assume his new post in Hankow. Mr. Kato deplored the reports which recently appeared in the Chinese press concerning the mystery of floating corpses on the Hai Ho and the alleged refusal of two well-known Japanese banks to pay deposits belonging to the late Marshal Sun Chuan-fang. He considered these reports as absoultely without foundation and their publication a serious lapse on the part of the Chinese press. Referring to the recent Taiyuan affair, Mr. Kato said that the Japanese arrested by the Chinese authorities had been handed over to the Japanese authorities and that the tension arising from the incident had greatly decreased. An investigation was being made, after which negotiations would be opened with the Shansi authorities.

TIENTSIN-TOKYO AIR SERVICE TO OPEN JUNE FIRST

All preparations have been completed by the Hui Tung Aviation Corporation, a Sino-Japanese concern with its head office in Tientsin, for the inauguration of the much heralded direct Tientsin-Tokyo air passenger and mail service on June 1.

Leaving Tientsin at 7.10 o'clock in the morning on Tuesdays, Thursdays and Saturdays, Japanese-built Douglas-type eight-passenger monoplanes of the Huitung Aviation Company, will reach Tokyo by 5 o'clock in the afternoon the same day, the firm announced May 22, according to a *Domei* dispatch. A similar schedule will be maintained in the opposite direction on the same weekdays. Rates will be $207 from Tientsin to Tokyo, with proportionate reductions for Dairen, Seoul and Fukuoka, the three stopping places on the route.

JAPANESE RECRUIT CHINESE LABORERS, 165,000 HAVE GONE TO MANCHURIA

It is reported that the Japanese authorities are commencing to recruit a third batch of Chinese laborers to work in Manchuria. The first and the second batches of these laborers have already left for the northeast. The enlisted workers are all poverty-stricken Chinese in North China.

Approximately 165,000 Chinese laborers have left North China for Manchuria since Jan. 1, 1937, according to an unofficial estimate made in Tientsin May 21. Most of the laborers have been engaged by Japanese for construction work in the Northeast, particularly in Heilungkiang.

Chen Chung-fu, former Chairman of the Foreign Relations Commission of the Hopei-Chahar Political Council, who went to Japan about a month ago on an important mission, is expected to leave Japan on May 24 on his way back to Peiping. He will arrive at Tsingtao about May 28, expecting to reach Peiping about the end of this month.

Eiji Amau, the newly-appointed Japanese Minister to Switzerland and formerly spokesman of the Foreign Office, left Tokyo May 24 on a tour of China and Manchukuo before proceeding to Berne. Mr. Amau is due to arrive in Shanghai on May 28. He is expected to return to Tokyo from his tour late in June.

JAPAN LOOKING FOR IRON ORES IN SHANTUNG

In looking for iron needed in her gigantic rearmament program, Japan is not neglecting the rich deposits in Chinglincheng, midway between Tsingtao and Tsinan along the Kiaochow-Tsinan Railway, where at least 70,000,000 tons of iron ores, the purity of which ranges from 55 to 70 per cent, are still lying underground, it is revealed in Nanking. Preparations to exploit the ores in that district, it is learned, are now under way by the Japanese Hsing-chung Company in Tientsin and the Japanese shareholders of the Luta Mining Works, the largest Sino-Japanese mining concern in Chinglincheng field. The annual output is expected to reach 700,000 tons. If the plans are carried out with the approval of the Chinese investors of the company, the production is expected to be greatly increased. The iron ores in Chinglincheng are found in an area of 283 sq. kilometers. They were first mined by a German firm in 1909. The right was later taken over by the Japanese after her occupation of Tsingtao during the World War. However, the Japanese ceased the operations as the prices of iron dropped after the War. The Luta Mining Works was established not long after the retrocession of Shantung after the Washington Conference in 1922.

Although the anti-Japanese sentiment is still strong in the interior of China, Nippon-made goods "apparently" find a ready and an ever-growing market, according to Major-Gen. Seiichi Kita, military attache to the Japanese Embassy in China. Major.-Gen. Kita returned to Shanghai on May 18 by air from Chengtu, after a 16-day journey which took him to Hongkong, Canton, Haiphong, Hanoi, Kunming, and Szechuan.

Crossing the Yalu river into the Korean territory, a strong bandit force, armed with machine guns, attacked May 21 and pillaged the border town of Hotalii, according to a *Domei* report. When the outlaws left the town, shortly after 10 o'clock at night, they carried away with them 20 residents. Hotaili's police force of 45 men, reinforced by Japanese soldiers, enveloped the bandits, who, however, managed to slip out of the ring.

GEN. FENG YU-HSIANG PRESIDES AT DEDICATION CEREMONY IN TAIAN

Gen. Feng Yu-hsiang, vice-Chairman of the Military Affairs Commission, arrived at Taian from Nanking May 23. He is representing the Central authorities to attend the dedication ceremony of the Martyrs Hall in Taian on May 26 in honor of the revolutionary heroes who lost their lives in the uprising of Luanchow in Hopei in 1911. It is learned that Gen. Han Fu-chu, Chairman of the Shantung Provincial Government, is coming to Taian to visit Gen. Feng and to represent the National Government at the rites. The "Christian General" is expected to remain at Taian a week before returning to Nanking.

Gen. Feng Yu-hsiang

Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, has commissioned Tseng Cheh-hsi, President of the Hopei High Court, now in Tsinan, as his delegate to go to Taian to interview Gen. Feng Yu-hsiang. Mr. Teng will report to Gen. Feng on current affairs of the Council.

ANNIVERSARY OF FORMING OF ALLIED ARMY IN CHAHAR OBSERVED

A public meeting was held in Nanking May 26 in commemoration of the Fourth Anniversary of the taking of oath of fealty by the People's Allied Anti-Japanese Army in Kalgan. As Gen. Feng Yu-hsiang, who was the then Commander-in-Chief of the Army, is now in Taian on an official mission, Gen. Chang Chih-kiang, one of the high officers of the now defunct army, officiated at the ceremony.

HOME MINISTER IMPRESSED WITH PROGRESS IN MANY PROVINCES

Gen. Chiang Tso-pin, Minister of Interior who arrived at Peiping from Tientsin May 24, declared that he was favorably impressed by the progress made in the various places where he recently visited. He said that he was particularly pleased with the manner in which the local authorities were training the masses in accordance with the instructions of the Central Government. Afforestation, highways, and reconstruction movements, he said, were progressing most satisfactorily. However, much more is needed and he urged the people to cooperate with the local government in order to bring about a greater degree of success in the reconstruction work. General Chiang is remaining in Peiping three or four days before going to Paoting, Tinghsien, Kalgan, Kweihua, Taiyuan and Kaifeng, en route to the capital.

SUIYUAN SITUATION AGAIN TENSE, "IRREGULARS" PREPARE NEW OFFENSIVE

The situation in East Suiyuan has become tense again as a result of the concentration of large numbers of "irregulars" at Shangtu and Changpei, according to information received by responsible quarters in Peiping. The "irregulars" under Liu Kwei-

tang, notorious bandit chief, stationed at Fengning and Takeh, have been ordered to move on to northern Chahar together with the men under Li Shou-hsin, "Manchukuo" commander, Liu and Li are now at Chapser conferring with Prince Teh, commander of the Mongol "irregulars."

Reliable information from Kweihua, provincial capital of Suiyuan, reveals that the "irregulars" are mobilizing and concentrating at Nanhao and Tachingkou preparatory to pushing westwards to Hsingho, according to *Central News*. It is also reported that "certain quarters" are also sending additional forces from Jehol to Dolonor and at the same time dispatching large quantities of military supplies to the "irregulars" in north Chahar.

Within the next few days the Mongol "Irregulars" in Chahar are expected to renew their offensive against Nanhaochan and Tachingkow in east Suiyuan, according to information received at Peiping May 22. The invasion, it is understood, was decided upon during the recent conference at Chapser, north Chahar, between Japanese commanders and leaders of the "Irregulars" and bandits. Li Shou-hsin, it is stated, will lead the attack. A strong detachment of "Irregulars" has already left Chapser en route to Tachingkow ready for an offensive for which feverish preparations have been going on during the past few days.

GEN. CHIANG LEAVES NANKING FOR KULING

General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, left Nanking for Kiukiang en route to Kuling at 11.30 a.m. May 23 aboard the gunboat *Chun Shan*.

Sir Robert Hutung, industrial magnate of Hongkong, was received by Gen. Chiang Kai-shek at 11 a.m. May 20. The interview took place at the Soong residence at Pei Chi Keh, where the two had a lengthy talk.

Dr. Alfred Sze

Hsi-Jao Chia-suo, a Tibetan scholar, who is now giving a series of lectures on Tibetan philosophy and culture in Nanking, was received May 22 by General Chiang Kai-shek, who made detailed inquiries into the political and religious conditions in Tibet. The Generalissimo highly commended the Tibetan scholar for his courage and enthusiasm in coming to China and also accepted with thanks several Tibetan products presented by the latter.

General Chiang Kai-shek has received a five-storied silver pagoda from overseas Chinese in Burma as a gift in honor of his recent 50th birthday anniversary.

Dr. Alfred Sze, retiring Chinese Ambassador to Washington, is due to arrive in Shanghai on June 15 aboard the s.s. *President Hoover*, *Central News Agency* reports. Dr. Sze, who was earlier reported to be planning to return to China by way of Europe, has postponed his departure from Washington to wait for the arrival of Dr. C. T. Wang, the new Chinese Envoy. Dr. Wang arrived at San Francisco May 20 and will meet Dr. Alfred Sze at Chicago.

DR. KUNG LEAVES LONDON FOR EUROPE, WILL VISIT AMERICA IN JUNE

After a busy three-week sojourn in London, Dr. H. H. Kung, China's Special Ambassador and Chief Delegate to the British Coronation, left London for Geneva on May 25 with Admiral Chen Shao-kwan, Deputy Delegate of the Chinese Mission. They were accompanied by Dr. C. Kuangson Young, L. T. Chen, Secretaries, and Rear-Admiral S. H. Lin. Many British officials and members of the Chinese Embassy, headed by Quo Tai-chi, Chinese Ambassador, were at the railway station to bid the party farewell. People interested in Far Eastern affairs in London observed that Dr. Kung's Mission had created a friendly atmosphere and feelings in the British official and financial circles. The program of travel for Dr. Kung's party schedules its departure for Rome from Geneva on May 28. On June 1, the delegation will reach Paris, going to Brussels on June 6 and Berlin on June 9. Dr. Kung will sail on the Queen Mary for New York on June 15. He is scheduled to visit Washington, and New Haven. At the latter place, he will receive an LL. D. Degree from the Yale University, his alma mater. After the trip to the United States, the party will return to Germany at the end of June.

Questioned by *Reuter* prior to his departure concerning the possibility of a loan to China, Dr. Kung replied that it was impossible at present to say anything. He had every reason, however, to be satisfied with his reception. He was taking away with him, he said, very pleasant memories of his three weeks' stay in London. "I was greatly impressed," Dr. Kung declared, "with Britain's adherence to ancient traditions, the unsurpassable dignity and pageantry of the Coronation and last, but not least, the cordial and friendly fellings towards China among the leaders of the Government, industry and finance." "I thank all friends," Dr. Kung concluded "who so kindly extended hospitality and assistance to me."

Chinese anxieties over the Anglo-Japanese conversations in London were dismissed as foundationless by Dr. H. H. Kung in an interview May 21 with *Reuter*, in the course of which he referred to his talk May 10 with the Foreign Secretary, Anthony Eden, with the greatest pleasure. Dr. Kung expressed the fullest confidence in the sincerity of Great Britain's interest in China's welfare. Dr. Kung on May 21 had a conversation with Viscount Kano, manager of the Yokohama Specie Bank in London, after which, accompanied by Quo Tai-chi, the Chinese Ambassador, he conferred at length with the Chancellor of the Exchequer, Neville Chamberlain. One feature of the Chinese delegation's visit to London is the attention it is attracting in the popular press. Thus the *Evening Standard*, giving prominence to a report on China's currency reform, the consolidation of her internal loans, and her railway progress and political unity, says that industrially, China appears to be heading for a big future.

Cordiality pervaded the dinner given jointly May 21 by the China Association and the Federation of British Industries at the Vintner's Hall in honor of Dr. H. H. Kung. A galaxy of notables and leaders, representing British interests in China, was present at the function. These included, Walter Runciman, President of the Board of Trade, Lord Eustace Percy, Lord Riverdale, Lord Barnby, Sir Frederick Leith-Ross, Sir Alexander Cadogan, Sir Frederick Maze, Sir Charles Addis, Sir George MacDonogh, Brig.-Gen. Woodroffe. The Right Honorable Earl of Winterton acted as chairman of the function. He pointed out that the aim of the Federation is to support and promote legitimate British interests in China. The best way of promoting such interests, he said, lies in friendship and understanding. He described rumors that the Anglo-Japanese conversation might prejudice Chinese interests as unfounded. This was demonstrated, he said, by the statement made by Anthony Eden, the Secretary of State for Foreign Affairs. Continuing, Lord Winterton said: "If such arrangements were reached, which seemed unconceivable, I, as M.P., would say that they would not receive the agreement of the Parliament."

Dr. Kung, in a speech in English warmly applauded by the gathering, emphasized that China is a great market with 477 million population, while at the same time, she is also able to supply a large variety of raw materials. The policy of the Chinese Government, he said, is the development of the country for the benefit of the Chinese people as well as for the world. The National Government, Dr. Kung continued, had adopted a five-year program of economic reconstruction, which needs capital and technical advice. In this respect, he said, China welcomes the aid of her foreign friends. Reference was made by Dr. Kung to the Chinese Customs and railways. He emphasized the settlement of railway debts. In pointing out the success of the currency reforms undertaken by China, Dr. Kung expressed the appreciation of British co-operation and the services of Sir Frederick Leith-Ross. Farmers in China, the Chinese Finance Minister continued, are being assisted by the Government with a view of building up the nation's resources. He also discussed the industrial expansion, reorganization of Central Bank of China and the revenue increases. "We have resources that need to be developed and China welcomes with open arms and will protect foreign capital and technical assistance." Concluding, Dr. Kung mentioned the improved transportation facilities in China and the radiotelephone link between China and England.

Mr. Runciman in his speech praised the currency reforms in China. He hoped that China will maintain her good record and policy on foreign debts, pointing out that good credit is essential before foreign support can be obtained. "The only way to maintain credit," he said, "is by living up to the obligations which are recognized by the Chinese Government and therefore deserve respect." Chinese credit has improved, he said, and there is no reason to lose faith in the future. He concluded by saying that Britain as well as China must balance their budgets otherwise destruction will result.

Britain will strictly respect China's interests if and when she enters into negotiations with any other Pacific power, Dr. H. H. Kung was assured by Foreign Secretary Anthony Eden May 20, according to a *Havas* report from London.

Dr. Kung was the guest of honor at a luncheon given May 19 by the Board of Directors of the Chartered Bank of India, Australia and China. In the afternoon, Dr. Kung inspected the plant of Waterlow and Sons, leading British lithographers and printers of banknotes and bonds. Dr. Kung was entertained at dinner May 18 by Sir John Buchanan Jardine. Sir John in an informal talk pointed out that his family has been intimately connected with China for four generations and was happy to welcome Chinese friends in England. Dr. Kung, responding, praised the British adherence to tradition and expressed the hope that in the years to come there will be increasing trade relations between China and Great Britain. Dr. Kung also paid calls on Sir John Simon, and Anthony Eden, the Secretary of State for Foreign Affairs. During the visit, Mr. Eden repeated assurances that every effort Great Britain might be in a position to take to further improvement in the Far Eastern situation she would take, with full consideration of all nations concerned. At noon Dr. Kung attended the luncheon given by Mr. Rothschild, while in the afternoon, he was honored at a reception given by the overseas Chinese in London,

Dr. H. H. Kung again maintained direct contact with China over the radiophone from London at 8 p.m. May 22, Shanghai time, *Central News* reported. In conversations with his son, Ling-kai, Hsu Kan, Vice-Minister of Finance, and Jian Chen, Deputy Governor of the Central Bank, Dr. Kung inquired with deep concern about general financial conditions in China. Dr. Kung first talked with his son and asked about relief measures for the drought-stricken refugees in Szechuen. Kweichow, Kansu, Shensi and Honan, to which question Kung Ling-kai gave a brief report about the distribution of relief funds raised by the Shanghai United Relief Committee. In his conversation with Hsu Kan, Dr. Kung asked about affairs of the Ministry of Finance. Mr. Hsu informed Dr. Kung that Customs receipts for this month had already exceeded $9,000,000, and that Income Tax for the year had exceeded $6,000,000. Mr. Jian Chen reported to Dr. Kung that general financial conditions in Shanghai were stable and affairs with the Central Bank were going on smoothly.

WANG URGES SUPPORT OF PARTY AND NON-PARTY MEMBERS TO NATIONAL SALVATION CAUSE

An earnest plea for both Kuomintang and non-Kuomintang members to pledge their utmost to the cause of national salvation was made May 24 by Wang Ching-wei, Chairman of the Central Political Council, in a speech at the Central Kuomintang Headquarters. This hope was expressed by Mr. Wang in a lengthy discourse on the mission of the National People's Congress, which will be convened in Nanking on Nov. 12 this year. The forthcoming Congress, Mr. Wang said, will be built on three foundations—a nationwide consciousness of the peril facing China, an unprecedented national solidarity, and a common belief that the Three People's Principles are the panacea for present-day China. Mr. Wang first brought up the issue as to whether non-Kuomintang members may have their voices heard at the forthcoming Congress. To this question Mr. Wang answered in the affirmative, asserting that non-Party delegates may freely express their views on state affairs. The Central Political Council chairman based his statement on the fact that Party and non-Party delegates share fifty-fifty in the district elections, while Party delegates exceed Non-Party delegates in number in vocational elections. With the Law governing the elections of delegates to the National People's Congress revised, Mr. Wang stated, chances for free campaigning have been considerably increased, which will mean the election of a great number of non-Party delegates. In conclusion Mr. Wang earnestly hoped that both Kuomintang and non-Kuomintang members would pledge their utmost to the same cause, adding that Kuomintang comrades would certainly leave room for outside talents so as to hasten the success of the nationalist revolution and reconstruction of the Chinese Republic under the San Min Chu I banner.

TWO GET DEATH FOR KILLING TANG YU-JEN

Found guilty of the murder of Tang Yu-jen, late Vice-Minister of Foreign Affairs, Liu Chen-nan, 32-year-old native of Hupeh, and Chiu Chi-yu, 27-year-old native of Chekiang, were sentenced to death by Judge Liao at the Second Special District Court May 25. The two convicts were arrested in the winter of last year by French Municipal Police on charges of having murdered the late Vice-Minister of Foreign Affairs on December 25, 1935. During the trial at the Second Special District Court, they at first admitted the charges but later denied them.

CHINESE REDS WANT TRUE DEMOCRACY IN CHINA AND WAR WITH JAPAN

The adoption of a truly Democratic Constitution in China and racial unification to prepare the country for war against Japan are demanded in a circular statement issued by Chou En-lai, leader of the Chinese Communist Party, according to a *Domei* report May 8. The statement proposes important amendments to Kuomintang plans recently adopted by the Central Executive Committee for convocation of the National People's Congress but avoids any direct reference to the position of the Chinese Communist Party, apparently because of the compromise reached between the Communists and the Nanking Government. The draft regulations announced by the Nanking Government with regard to the People's Congress, the statement says, fails to provide any guarantee of Democratic government in the future. True Democratic government in China, Mr. Chou declares, should envisage national unification and prepare the country for war against Japan. Mr. Chou suggests the following amendments to the regulations:

1. All men and women over 20 years of age should be entitled to universal suffrage.
2. The system of appointed delegates should be rescinded in favor of a system of free, universal and secret balloting.
3. The number of party delegates and special delegates representing student organizations should be increased beyond the present limit.
4. The special election system for the four Northeastern Provinces should be revised.
5. The number of fixed candidates in a general election should be increased.

ARRANGEMENTS FOR REORGANIZATION OF TUNGPEI TROOPS BEING PERFECTED

All arrangements for the reorganization of ex-Northeastern troops into integral units of the national army have been completed as a result of discussions in Nanking during the past week. Thus declared Gen. Liu Shih, Pacification Commissioner for Honan and Anhwei and con-currently Chairman of the Military Rehabilitation Commission for the three provinces of Honan, Anhwei and Kiangsu, shortly before his departure for Kaifeng at 8 o'clock May 19. These readjustment measures embrace the questions of personnel and readjustment in military system. The apply also to the troops under Gen. Wan Fu-lin, former Heilungkiang Governor, now stationed in Hopei. The first meeting of the three-province military rehabilitation commission, Gen. Liu said, will be held in Kaifeng either end of this month or early in June. Meanwhile, Gen. Wang Shu-chang, the newly appointed Deputy Pacification Commissioner for Honan and Anhwei, Gen. Yu Hsueh-chung, newly appointed Kiangsu Pacification Commissioner, and Lieut.-Gen. Ho Chu-kuo, Deputy Director of the Generalissimo's Provisional Headquarters in Sian, who took part in the parleys during the past week, are leaving shortly for their respective new posts.

The former North-Eastern Army will be reorganized into five army corps, according to a *Reuters* report. Each corps, it is stated, will consist of two divisions. The reorganization will commence on June 1, when a military conference opens in Kaifeng, in Honan, while rigid training will commence on July 1.

The 53rd Army will shortly be reorganized with other units of the former Northeastern Army, Gen. Wan Fu-lin, commander of the 53rd Army, announced at Paoting May 22. Gen. Wan assured his officers and men that they would receive the same kind of treatment following the reorganization. Gen. Wan will be represented by his chief military advisor, Chan Tze-yu, at the first conference of the Military Affairs Rehabilitation Commission for Anhwei, Honan and Kiangsu at Kaifeng on June 1.

At present the 53rd Army has nine regiments under three divisional commanders, Generals Chu Hung-hsun, Liu Yuan-hsan, and Chung Chao-lin. These will be changed into two divisions each with two brigades which will be in turn made up of two regiments. Gen. Wan will receive the same amount of $590,000 per month for his soldiers.

PLAN TO "NATIONALIZE" ALL SZECHWAN TROOPS FORMULATED AT NANKING

Ominous rumors, which have been centered around Szechwan during the last fortnight, are being dispelled as a result of negotiations during the last few days between representatives of Szechwan and the Central authorities, according to a *Central News* report May 25. Liu Hang-shen and Kwang Chi-yu, Finance Commissioners of Szechwan and the Ministry of Finance, respectively, and Gen. Ho Ying-chin, and Wu Ting-chang, Ministers of War and Industries, respectively, have been exchanging views for a fundamental reform of the political and military setup in Szechwan has been worked out, which, it is reported, is based upon the consent of Gen. Liu Hsiang, Chairman of the Szechwan Provincial Government, to return the military command to the Central Government. It is also stated that the Szechwan armies will be "nationalized." This formula has been sent to Gen. Liu and as soon as a favorable reply is received from the Szechwan Chairman details for its enforcement will be worked out.

Gen. Liu Hsiang

The tension over the Szechwan situation is easier following the arrival in Nanking of Liu Han-shen, representative of General Liu Hsiang, Governor of Szechwan. Mr. Liu is reported to have brought a personal letter from his chief to General Chiang Kai-shek pledging loyalty to the Government. It is understood that the troops in Szechwan, totalling 160 regiments, will be reduced and reorganized.

A definite assurance that he will remain loyal to the Central Government and will exert every effort to dispel the present rumors of misunderstanding between Szechwan and Nanking was given by Gen. Liu Hsiang, Chairman of the Szechwan Provincial Government, to four leading Chungking merchants. The party of merchants left Chungking by plane on May 18 following the rumors of increasing friction between Szechwan and Nanking. They interviewed Gen. Liu that afternoon and requested him to take definite steps to check the rumors. Gen. Liu declared that if necessary he would go to Nanking but at present he had been instructed by the Executive Yuan to remain in the province to handle the famine relief work.

The Central Government has decided to grant a yearly subsidy of $720,000 to the Kweichow Provincial Government to cover its annual fiscal deficit caused by the abolition of various kinds of commodity levies in that province.

Another Clash Takes Place on Soviet-Manchukuo Border

A nocturnal clash between Soviet and Japanese-Manchukuo guards on the strife-torn eastern border was reported to the central military authorities in Tokyo, May 20 by the Kwantung Army. About ten mounted Soviet guards, the report said, attempted to cross the border at Hunchun, Chien Tao province, southwest of Vladivostok, the previous night. Following a brief clash with Japanese and Manchukuo border patrols, the Soviet force returned to its side of the frontier, the report added.

O. G. P. U. Arrests Japanese Clerk in Saghalien Town

Gaimusho officials in Tokyo were reported May 20 to be taking a serious view of the arrest of a Japanese clerk in Alexandrovsk, North Saghalien, by O.G.P.U. agents, the previous night. A demand for the man's immediate release filed with the Soviet authorities by Consul-General Bunichiro Tanaka was reportedly rejected, on the ground that the arrested Japanese was suspected of espionage.

Trans-Siberian Railway Double-Tracked—Vast Supplies Being Moved

The Trans-Siberian Railway has been double-tracked east of Baikal, and vast supplies of goods and building materials are pouring into the region to assist in the successful completion of the Second Five-Year Plan—according to Masaharu Shimada, Consul-General in Khabarovsk, who arrived back in Japan this week in response to a summons from the Tokyo Foreign Office. Mr. Shimada asserted that no one is allowed to see Marshal Vasilii Bluecher, Commander-in-Chief of the Soviet Far Eastern Army, without a special permit from Moscow.

"Marshal Bluecher's star," Mr. Shimada alleged, "is in the eclipse now, with the arrival in the Far East of Mr. Vareikis, said to be a confidante of Joseph Stalin."

Mr. Shimada revealed that no Japanese, save staff officials of the Consulate-General, reside in Khabarovsk at the present time.

Twelve Alleged Trotskyists Executed at Habarovsk

Eleven railway officials, accused of being members of an alleged Trotskyist band of spies, wreckers and diversionists, were executed at Habarovsk, close to the border of Manchukuo, May 25. The officials were charged with acting under instructions from the Japanese intelligence service and with causing wrecks on important Far Eastern railways.

Forty-four Alleged Railway Wreckers Executed in Siberia

Forty-four persons, including a woman, were immediately executed May 20 after a military tribunal at Svobodny, in Siberia, had found them guilty of "espionage and the wrecking of railways on behalf of the German and Japanese intelligence services."

Red Army Purge Results in Thousands Being "Pensioned Off"

A purging action undertaken in the Red Army by a commission of inquiry has revealed a vast extent of political unreliability among the officers, 5,000 of whom have been "pensioned off," according to *Trans-Ocean*. It is said that Marshal Voroshiloff declared that the dismissal of these officers might lead to great political difficulties and therefore induced the Communist Party to agree to having them pensioned off. Some of them will be given a new field of activity in Siberia.

Japanese Observers Comment in Bitter Terms on Moscow Allegations

Diplomatic observers in Tokyo May 24 expressed regret at what they described as "a fresh outburst of anti-Japanese propagdanda" in the Soviet Union, as exemplified by an editorial published on Saturday in the Moscow *Pravda*. "The campaign," the observers asserted, "aims at whitewashing the inefficiency of railway management in Russia by ascribing all railway accidents in the Union to so-called 'agents of Japanese spies'." Moreover, the Soviet leaders, according to the Japanese observers, are striving "to inflame the public against Japan by concocting stories of Japanese espionage activities, and also to intimidate the discontented and refractory elements by imposing the extreme penalty against those held responsible for the unfortunate train accidents."

The *Pravda*, defending the execution of 44 "Trotskyites," declared that they wrecked trains and carried on espionage for Japan.

The Communist journal added that "Trotskyite agents of Japan and Germany" are active not only in the Far East but elsewhere as well, pointing to 17 accidents on the Ordjonikidze Railway in January alone. These accidents, the daily asserted, must be attributed to the conspiracy of Japanese and German agents, "namely, Trotskyites."

Japanese Continue To Ship Goods to U.S.S.R. to Pay C.E.R. Debt

Tass reports that deliveries of Japanese and Manchurian goods on account of payment for the Chinese Eastern Railway continue. According to the agreement, Japan is to deliver to the Soviet Union goods for a total of 93.3 million yen. Various goods for a sum of more than 65 million yen have already been shipped. The prevailing bulk of the deliveries consisted of raw materials, semi-manufactured goods, building materials, goods of agricultural origin and goods of general consumption.

Recently, deliveries of equipment and ships are being increased, which are specially manufactured for the U.S.S.R. Twelve million yen's worth of equipment and five million yen's worth of goods have been delivered so far.

Manchukuo Declines Responsibility for Eventualities from Moscow's Denunciation of Waterways Agreement

Referring to Moscow's recent denunciation of the Soviet-Manchukuo waterways agreement, the Manchukuo Government May 22 placed the responsibility for any "unfortunate situation" that may arise out of the action upon Soviet shoulders. The Hsinking Government simultaneously reserved Manchukuo's freedom of navigation in her territorial waters along the border rivers and lakes.

Japanese Newspaper Comments Sarcastically on "Tass" and "U. P." Relations

(Editorial in the Tokyo "Asahi," May 16)

The Soviet Union's anti-Japanese propaganda work has gathered greater strength and force particularly since the conclusion of the German-Japanese anti-Comintern accord. The Soviet Union has since taken every chance to push on its anti-Japanese propaganda work on the program. As one means of pushing on this work Moscow's official news agency (*Tass*) has of late seemingly hit upon a new effective method of propaganda which is nothing else than its utilization of American news agencies, particularly the *U. P.*, for achievement of this aim. This trend has become very pronounced of late. And indeed the latest fact to prove this trend has been furnished by the entry into the innermost recesses of Shensi, the seat of the Chinese Soviet government, of a *U. P.* correspondent at Tientsin and his interview story obtained from the leaders of the Chinese Soviet government there and given wide publicity. This very fact must not be regarded as a mere adventure of a young American correspondent that he is. Such an adventurous undertaking could never be attempted but for the assistance of the Soviet Union which is maneuvering behind China and the Chinese Communists. The *U. P.* correspondent in question broadcast to the whole world his interview story thus obtained, from the innermost recesses of Shensi Province, according to which we are informed that there exists a university known as "the anti-Japanese university" and that a joint Soviet-Chinese front against Japan is being planned to be further augmented and strengthened.

It is now an open secret that when General Chiang Kai-shek was imprisoned at Sian by the hand of Marshal Chang Hsueh-liang a certain Chinese Communist leader suddenly appeared on the scene and saved General Chiang from the cruel grip of the Sian rebels. This Chinese Communist leader pleaded for General Chiang Kai-shek that it was not the time for the Chinese to have internal quarrels among themselves. It was the time for the Chinese nation to be fully reconciled among themselves to present a united front against Japan, the same Communist leader is reported to have pursuaded the Sian rebels. Such and other facts prove that a sort of definite understanding has been reached between the Communists and the existing Nanking government, and yet the latter has persistently denied such a fact.

Under the circumstances, it would be advisable for Japan, even in that matter of effecting readjustment of the Sino-Japanese diplomatic relations, to wait awhile and see how this present Soviet-Chinese relation will settle. It would be safer for Japan to wait and see how meanwhile Japan should better push on her cooperation work with Great Britain and thus try to solve the China question in her favor.

Royal Palestine Commission Will Recommend Separate Jewish State in Holy Land

The division of Palestine into a Jewish state within the British Empire and an Arab state under the Emir of Transjordania will probably constitute the main proposals of the Royal Palestine Commission which will have completed its work in the course of next week, according to information from political quarters in London this week, who believe that the report of the commission will be submitted to the Cabinet at the beginning of June. The criticisms of these proposals by both interested parties have apparently not affected the opinion of the commission.

Political circles in London are of the opinion that the Jewish objections have been overcome by the promise that the new Jewish state will be admitted to the League of Nations, so that Jewry may obtain an international status thereby.

It is rumored that the division of Palestine will follow a line drawn from Lake Galilee to the Red Sea. Haifa would become an international port, while the holy places of Christendom such as Jerusalem, Bethlehem and Nazareth would be included in a new British mandate after the former British mandate over the whole of Palestine has been dissolved by the League of Nations. It is added that the proposals of the royal commission also forsee special provisions for the protection of minorities as well as for the solution of questions regarding immigration and administration.

Increased Con olidated Tax as Security for British Loan

The *Shanghai Mainichi* of May 19 in noting that Dr. H. H. Kung, vice-president of the Executive Yuan and Minister of Finance, has had a conference with the British authorities for the conclusion of a loan agreement in London, stated that Dr. Kung has proposed to pledge the increased consolidated tax as security. As the increased consolidated tax has not yet been enforced among the Chinese cotton mills and in view of the fact that Japanese cotton textile industry is being rapidly developed in this country, no definite agreement has yet been reached with the British authorities, the *Mainichi* said. Therefore, in view of the situation, Dr. Kung in a telegram to Nanking, asked for the immediate enforcement of the new regulations of tax collection as well as collection of such taxes from the Japanese mills in accordance with the increased rate. Great anxiety was felt by the Japanese cotton mill owners upon receipt of this information and a secret conference was held at the Japanese Residents' Club regarding the matter.

Income Tax Successfully Collected in Hopei Province

The income tax (*So-Te Shui*) has been successfully collected in the provinces of Hopei and Chahar since April 1, according to Yang Tien-shou, Director of the Hopei-Charhar Office of the Income Tax Bureau of the Ministry of Finance, at Tientsin.

Ministry Instructs Central Bank to Ship More Copper Coins to Hupeh

Commodity prices in Hupeh have soared recently as the result of the shortage of subsidiary coins, according to a telegram from the Hupeh Provincial received by the Ministry of Finance in Nanking May 20. The message requested that the Hupeh Provincial Government be authorized to issue more subsidiary notes to meet the public demand. While, in order to avoid monetary complications, the Ministry has turned down the request, it has instructed the Central Bank of China to ship immediately to Hupeh a large quantity of copper coins for circulation.

Shensi Province Gets Half a Million Dollars With Which to Dig Wells

The Agricultural Credit Bureau has granted a loan of $500,000 to the Shensi Provincial Government for the digging of wells for the irrigation of farm land. It is learnt that the first lot of wells will be dug in the six districts of Sian, Lintung, Weinan, Lantien, Hwayin and Hwahsien, all in southern Shensi. Fifty gangs of trained workers will be provided by the Provincial Government to assist the people in digging the wells.

No "Readjustment" of Balance of Old $96,-000,000 Loans of 1922 in Sight

Reports have been in circulation during recent weeks that the "$96,000,000 loan," (consolidated from the Nishihara loans of several years previous) as it is popularly called, would soon be readjusted. This loan was issued by the Government at Peking in 1922 in two portions, one Chinese and the other Japanese. The former was for $56,000,000 and the latter for Yen 39,000,000. Part of the latter was redeemed, but there is still Yen 32,000,000 outstanding.

When a readjustment of China's domestic loans was made in 1932, there was no announcement in regard to the above loan, but it is still quoted on the local exchange and there is evidently a belief in some quarters that a readjustment in regard to it will be made some time or another. As a matter of fact, no immediate readjustment is likely, the *Kuo Min* News Agency has learned from responsible financial circles.

Recently Japanese representatives called upon the two Vice-Ministers of Finance at Nanking, and enquired whether conditional payment of principal and interest was to be considered. It was explained to them that there were a number of difficulties to be overcome and that, in any event, the absence abroad of the Minister of Finance, Dr. H. H. Kung, made it impossible for anything to be done at the present time. The Japanese representatives concurred in this view and the matter remains in abeyance.

It may be stated definitely, and on the best authority, that the rumors of impending readjustment are untrue.

Director of Revenue Department Reports on Abolition of Exorbitant Levies

Up to date, more than 6,400 kinds of exorbitant levies and miscellaneous taxes, aggregating $58,000,000 annually, have been abolished throughout the country, according to Kao Ping-fang, Director of the Revenue Department of the Ministry of Finance. To further alleviate the burden of the people, arrangements have been made by the Ministry with the Provincial Governments of Kweichow, Kiangsi, Hunan and Szechuan, for the cancellation of several kinds of taxes which came into being after *likin* had been officially abolished. These are the tax on daily commodities collected in Kweichow; the bandit-suppression and rehabilitation tax in Kiangsi; the production and consumption tax in Hunan; and the "local tax" in Szechuan.

To make up for the losses in provincial revenue after the abolition of these levies, the Ministry of Finance will, in turn, remit appropriate subsidies to the four Provincial Governments. The first of the levies to go is the tax on daily commodities, which will be abolished by the Kweichow Provincial Government on the 25th inst. The Kiangsi, Hunan and Szechuen taxes will also be cancelled before long.

Japan's Attitude on Smuggling Discussed in House of Commons

In response to British representations, the Japanese Government had consistently disclaimed any responsibility for smuggling in North China, Viscount Cranborne, Under Secretary of State for Foreign Affairs, stated in the House of Commons May 24. The Japanese Government contended that Japan could not prevent the practice which, it said, was due to the unreasonably high Chinese tariffs and "defects in administration," Lord Cranborne declared. He added that the British Government had made it plain that it was unable to share the Japanese Government's view, although it might be that some items of the Chinese tariff were unduly high. The matter would naturally be kept under close review.

Japanese Consular Police Assist Smugglers in Tientsin

Nine truckloads of smuggled sugar and rayon (artificial silk) arrived in Tientsin, May 22, from Chinwangtao. Just as the goods were about to be detained by Customs officers, a gang of "ronins," armed with wooden clubs, arrived and forcibly carted away the contraband. During the altercation, a squad of Japanese consular police arrived, but, instead of supporting the Customs officers in the performance of their duty, calmly allowed the ronins to get away with the smuggled goods.

New Smuggling Tactics Introduced in North China

The *China Times* says that in view of the strict measures taken by the Customs authorities against the practice of smuggling, Japanese smugglers are adopting new tactics in their illicit trade. Large quantities of smuggled goods are thrown to the river bank near the Japanese concession at Tientsin from big vessels coming form Japan. Later these smuggled goods are picked up by the smugglers, Because of this practice, Customs inspectors have been unable to confiscate smuggled goods of late.

Movement Launched in Shanghai Against Smuggled Goods

More than 70 representatives from different public organizations in Shanghai, including the Shanghai Civic Association, the Chinese Native Industry Association, the Shanghai Federation of Labor, and Shanghai Chamber of Commerce, met at a conference in the auditorium of the Shanghai Chamber of Commerce, May 24 to launch a movement against smuggled goods.

Chinese Customs Cruiser Allegedly Fires on Japanese Fishing Bonts

The Tokyo Foreign Office this week protested to China over the reported attack on two Japanese fishing vessels by a Chinese Customs cruiser eighteen miles off Dairen May 22. It was alleged that an unidentified Chinese Maritime Customs cutter opened fire while the fishing craft were engaged in fishing. The master of one of the fishing vessels was wounded in the left arm by a bullet. His ship was subsequently boarded by a party of ten men from the Customs cruiser who are alleged to have carried away equipment and documents from the Japanese vessel.

1,500 Chinese Police Said Massed Near Tsingtao—Japanese Officials Investigate

About 1,500 armed Chinese police, apparently forming a part of an anti-smuggling force, are massed near Nanchuan, 50 klms. northwest of Tientsin, on the Tsinan-Tsingtao Railway, a *Domei* message from Tsingtao May 21 stated.

A group of Japanese military, naval, consular and police officials, traveled to the spot to learn the strength of the unit and the reasons for its presence near Tsingtao. The group included Commander Minoru Tajiai, naval resident officer in Tsingtao Major Nakao Yahagi, Army resident officer; Vice-Consul Teru Domyo, and Chief Eisho Shirakami, of the Japanese Consular Police in Tsingtao.

The Chinese force, according to the investigators, was formerly incorporated within the Second Division of the Central Army. The unit was said to be armed with machine and field guns.

The National Handicrafts Exhibition in Nanking

BY C. Y. W. MENG* 孟長泳

IN THE spacious National Art Gallery and the first National Assembly Hall in the Capital, and under auspices of the Association for the Promotion of the People's Economic Reconstruction Movement, and with a most impressive ceremony before a big gathering of officials, business leaders and many other people, the formal inauguration took place of the National Handicrafts Exhibition—the first of its kind in Nanking since the establishment of the National Government some ten years ago—May 20, when it was opened to the public.

The opening of the Exhibition has its inception in the People's Economic Movement. This Movement, as all remember, was promoted by Generalissimo Chiang Kai-shek a year ago when he told the Nation that China's fundamental danger today was her economic disintegration, and that a new movement for economic recovery was of great importance (for details, see article on "People's Economic Reconstruction Movement Launched at Nanking," *The Review* Vol. 77, No. 6). So since the first day of its existence, the Association has taken vigorous steps to realize two important projects: namely, the promotion of the marketing facilities for domestic goods; and the inauguration of a nation-wide movement for social thrift and the use of domestic goods. While the organization of the Domestic Goods Joint Sales Corporation, with a capital of $2,000,000, is to realize the first project, the holding of the Exhibition is intended for the second.

A preview of the Exhibition took place on May 19, when more than 1,000 Chinese officials, foreign diplomats, businessmen and newspapermen (Chinese and foreign) were invited to see the display of 32,000 Chinese hand-made articles. Among the visitors were Sun Fo, President of the Legislative Yuan, General Feng Yu-hsiang or the "Christian General," the Vice-President of the Military Affairs Commission, General Ho Ying-chin, Minister of War, and Sir Robert Hotung, now in China, allegedly for discussion of the Chinese industrial problems with the Chinese leaders in the government (see *The China Press*, May 12).

Minister Wu on the Future Development of Handicraft Industries

The formal opening of the Exhibition took place on May 20. His Excellency President Lin Sen also visited the Exhibition. In his inauguration speech, Wu Ding-Chang, Minister of Industry, and concurrently chief-in-charge of the People's Economic Reconstruction Movement, explained that the purpose of holding the Exhibition is "to gather together all handicrafts in the country, and let all see each others' articles, thus giving a chance for the consumers to compare the quality of articles on display, and also for the experts to find out the merits and defects of the handicrafts." The Minister expressed the hope that the present Exhibition would pave the way for the improvement of the quality of domestic handicraft articles, and will at the same time hasten rural prosperity. He then outlined a "3-Point Program" for the development of the native handicraft industries as follows:—

1. To cultivate a foreign market for home-made articles which will likely be patronized abroad.
2. To assist producers in improving the production and technique for handicrafts which have potentialities.
3. To advise manufacturers not to overproduce articles whose market is confined only to that very locality.

It is indeed a wise step to lay importance and emphasis on the development of the Chinese handicraft industries in the economic recovery of China; and there is indeed every necessity to hold an Exhibition of this kind. With the advance of western mechanical civilization to China, it is generally thought and believed that Chinese handicraft articles are being driven out of the market, and that they are gradually being displayed by the machine-made products. But as a matter of fact, it is by no means entirely true. At present, the hand-made products make up 75% of the products in daily uses among the 460 million Chinese! And the part they play in China's total export products is also by no means insignificant. In 1934, Chinese hand-made products which went abroad were valued at no less than $134,348,471, or 23% of China's total exports; in 1935, $150,402,799 or 26%; and in 1936, $198,187,625 or 28%.

According to statistics compiled by the Social Affairs Bureau of the Municipality of Greater Shanghai, in Shanghai alone there are no less than 26,128 semi-handicraft factories and 5,874 exclusively-handicraft establishments. The aggregate capital of the latter amounts to no less than $2,304,740 and these factories employ no less than 28,676 laborers.

According to further information from the National Industrial Research Bureau in Nanking, about half of the textile piece goods for 460 million Chinese is produced by Chinese hand filatures and hand spinning. So it is safe to say that from two-thirds to three-fourths of the country's products are derived from small-scale industries of the handicraft type, carried on more in the villages than in towns.

Thus, the importance of the handicraft industries in the Chinese industrial reconstruction and rural recovery is so clear as not to need any further explanation. In the past, owing to the fact that the Chinese public did not pay much attention to the Chinese handicraft industries, and the producers of the hand-made articles, due to lack of capital and other reasons, have been too conservative in introducing the use of new processes of production, the handicraft industries have not been so developed and so flourishing, as they should. It is, therefore, hoped that with due government encouragement and assistance, a new era will be opened in the history of Chinese handicraft industries, so that the production will be made more stable and progressive, to supply the daily uses of the teeming Chinese, million instead of having to import them from foreign countries. At the same time, it is possible to realize what was once said by the learned Minister of Industry Wu Ting-chang when he said: "Welcome foreign tools and machinery for productive purposes, but use only native products in ordinary consumption!"

Some Impressions

There are altogether four Departments in the Exhibition. The First Department include textile wearing, foodstuffs and metal products, etc. The Second Department include ceramic products, chemical products and hand-made mechanical articles, etc. The Third Department include wood, bamboo and lacquerware, stationery articles, etc. and the Fourth Department is exclusively for the display of Chinese tea.

It is most gratifying to see that many of the articles on display are recent manufacturing innovations in this country. It was formerly necessary to import them. Judging from the high quality of work that has gone into the making of the home-made products, it is evident that many quality articles formerly imported can be produced at home.

The products on display have been gathered from all over the country, including those from the Four North-Eastern Provinces (Manchuria and Jehol) which are now under military occupation of the invaders. Among some of the outstanding exhibits may be mentioned the silver "Nine Dragon Screen" from Peiping, silver carvings from Fukien, embroideries from the Door of Hope of Tientsin, calf boots from Suiyuan, woolen shoes from Chahar, porcelains from Kiangsi and glazed tiles from Peiping. This has certainly permitted the introduction of many new goods into the local market. Models showing processes used in the manufacture of some of the goods have also been placed on exhibition and these are expected to prove of great educational value to all visitors. A small pamphlet issued by the Exhibition will tell the visitor the present state of the Chinese handicraft industries in different provinces and municipalities. Those who are interested in the Chinese handicraft industries are advised to obtain one of the copies.

Another feature is the sales stalls, where the nation's outstanding handicrafts may be purchased at reduced prices.

China's Tea on Decline!

When the visitors come to the Fourth Department (Tea), they are certainly very disappointed to see that the Chinese tea, one of China's principal export products, which had long prominence in China's export trade, is now in rapid decline. Two large wooden statistical charts call the attention of the Chinese people to the fact that the Chinese tea industry is in a bad way.

For example, one chart tells that in 1870, China exported to foreign countries about 250,000 piculs (1 picul—133 lbs. or 60.5 kg.) of green tea, 1,500,000 piculs of red tea, and less than 10,000 piculs of brick tea. But in 1935, China exported only about 200,000 piculs of green tea, only about 100,000 piculs of red tea, and 100,000 piculs of brick tea. But it is to be remembered that the export of the Chinese brick tea once went as high as 650,000 piculs in 1915, but apparently it has had a tremendous drop since.

Another chart tells that in 1880, China exported about 1,450,000 piculs of tea to Great Britain, 350,000 piculs to Russia, 250,000 piculs to America, and 10,000 piculs to other countries. But in 1935, China exported only about 100 000 piculs of tea to Great Britain, 200,000 to Russia, less than 100,000 piculs to America, and about 350,000 to other countries.

China's Efforts to Develop the Tea Industry

The fact that China is taking vigorous steps to save the tea industry is evidenced by the recent organization of the China Tea Corporation, a semi-official enterprise. According to the report, during the first year it will give special attention to direct export trade with a view to expanding the foreign tea market. The Corporation has engaged E. P. Witham, a British tea specialist, as technical adviser, whose salary and travelling expenses are to be provided by the Ministry of Industry in conjunction with the Agricultural Credit Bureau.

A tea factory is to be established at Hankow while a branch of the Corporation will be opened at Foochow, Fukien. Measures are to be adopted to regulate the domestic tea production, transportation and sales, in co-operation with the Ministry of Industry, the National Agricultural Research Bureau, the Foreign Trade Bureau, the Government Testing Bureau and the various Provincial authorities.

Another handy and thin pamphlet on "An Introduction to National Tea" is issued by the China Tea Corporation, and is

being distributed to the visitors. On the outside cover of the pamphlet, is written: "Welcome the comments from people of all circles," and "Plan together for the revival of the tea industry," while inside there are ten pages of text under the heading of "A Gossip on the ways of drinking national tea." Full descriptions of ten famous Chinese teas in different places are given—the places of production, their special characteristics, the the styles of drinking, etc. Those who want to know more about Chinese teas are advised to obtain a copy of this pamphlet.

Walking downstairs, visitors will come to the "tea booth" where hot tea is served to all visitors free of charge. There are various kinds of tea on display, and the visitors can choose any one of them for a drink. The purpose, it is said, is to let the public drink Chinese tea, and to invite them to offer their comments, so as to "plan together for the revival of the Chinese tea industry."

It is reported that the same Exhibition will soon be held in Shanghai, where Chinese and foreign nationals alike will have a chance to view the display of Chinese handicraft articles, and to offer their candid opinions.

Nanking, May 22, 1937.

Japanese Raise Further Capital to Develop North China

According to Japanese circles, $20,000,000 has been raised from Japanese financial and industrial circles to develop the economic conditions in North China. In addition, it is reported that the Ministry of Foreign Affairs has approved the suggestion of spending the Japanese Boxer Indemnity Refund amounting to $30,000,000 for the financing of economic projects in North China.

The Bank of Chosen has decided to issue debentures to the amount of $100,000,000 for the development of North China.

Japanese to Install 670,000 Spindles in Tientsin and Tsingtao

The *Shun Pao* says that by the end of this year, 670,000 spindles and 24,000 weaving machines will have been installed by Japanese cotton mills in Tientsin and Tsingtao. It is estimated that 455,000 spindles and 8,500 weaving machines will be installed in Tientsin and 215,250 spindles and 4,640 weaving machines will be installed in Tsingtao. The plan of the Japanese mills is to install 1,400,000 spindles during the course of two years.

Japanese to Purchase Large Tract of Land for Cotton Planting in North China

The Hsin Chung Company and the Mitsui Company are purchasing tens of thousands of mow of land in Chuanliangchen for the planting of cotton. According to Japanese reports, this cotton fields will be known as North China Cotton Plantation Center. Special experts have been sent to the district to make preliminary arrangements for the planting of cotton.

Ministry of Industry Disapproves Selling of Liukiang Coal Mine to Japanese

In an order to the Hopei Provincial Government, the Ministry of Industry asked the former to investigate the press report of the selling of the Liukiang coal mine to the Taichi Company, a Japanese concern. The Ministry declares that the National Government cannot approves any private transaction of this kind without previous permission of the authorities.

Japanese Establish Special Organ for Collection of Scrap Iron in North China

In view of the large exports of scrap iron and copper, there is practically no iron or copper can be bought in the Tientsin market. In an attempt to obtain more scrap iron and copper for the Japanese authorities, a secret organ has been established for the removing of every bit of copper or iron from the gates of official and private residents as well as other places. Iron and copper so obtained are being sold to the Japanese Consulate-General in the northern part for export to Japan.

Bank of Chosen to Invest $100,000,000 in North China

The Bank of Chosen in its 10 year plan of economic development of North China will spend $100,000,000, according to Japanese financial circles. Bank notes will be issued by the bank for the purpose of controlling the local finances in the area.

Japanese Not be Develop Lungyen Mines—Chinese Await Opportunity

As the Japanese have discovered more valuable mineral deposits at Anshan, they are not so eager to develop the Lungyen mines as reported previously. It is now reported that the Hopei-Chahar Political Council is planning to develop the Lungyen mines, as soon as the Japanese give up entirely their claims on them.

Death Penalty to Be Meted Out to Chinese Who Sell Land to Japanese

The death penalty will be accorded to those who sell their lands in Tientsin to foreigners, according to a decree issued by General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, at Tientsin May 20. The same penalty will be meted out to provincial staffs who participate in the sale of land to foreigners, the *Shun Pao* of May 21 stated.

Japanese Military Headquarters to Be Established at Chiapushih

A Kalgan message to the *Shun Pao* May 20 stated that Japan has decided to increase the number of Japanese troops in North Chahar and will establish the Japanese Military Headquarters in Chiapushih. The director of the Japanese Special Service Department in the city will be appointed director of the headquarters.

According to another report an important conference was held in Chiapushih on May 17 by Prince Teh, Gen. Li Shou-hsin, Mr. Wu Ho-lin and Pao Yueh-chin regarding the concentration of irregulars in North Chahar.

Japan Has 25,000 Troops in North China

Reliable circles report that there are no fewer than 25,000 Japanese soldiers at present stationed in North China. Not satisfied with this number, the Japanese authorities (according to the *Hwa Mei Wan Pao*) have decided to increased their troops in Peiping and Fengtai to one division and in Tientsin and Tungchow by one division and one mixed brigade.

Sixty Japanese Planes Stage Maneuvers in Great Wall Region

More than 60 Japanese military planes staged a series of maneuvers along the Great Wall early this week. Peiping telegrams stated that these planes, now stationed at Cheng-teh, would probably fly to North Chahar to participate in the next invasion of East Suiyuan.

Huge Emigration of Workers from North China to Manchuria

According to latest statistics, the total number of Chinese workers who proceeded to Manchuria from various parts of North China has reached 165,000 people. These workers, it is understood by the *Lih Pao*, are engaged in erecting defense works for the Japanese in Heilungkiang and Jehol.

Armed Peasants Attack Japanese Troops in Linyu

Over 100 armed peasants engaged in a battle with the Peace Preservation Corps of the bogus East Hopei regime and the Japanese troops stationed at Linyu early in the morning of May 19. After four hours of encounter the peasants retreated toward Peitaiho.

Reports of Discovery of Dead Bodies in North Banned

A report in the *Ta Wan Pao* May 20 stated that the Censorship Bureau in Tientsin has imposed a ban on the publication of the discovery of dead bodies on rivers in North China. Two more bodies were found in the river near Tientsin May 17 but the information was censored so as to avoid diplomatic trouble, the *Ta Wan Pao* of May 20 stated.

Japan Organizes New Association for Espionage Work in North China

According to reports received from Cheng-teh, the director of the Japanese Special Service and commander of the Japanese gendarmes in Peiping have recently organized a Great North-West Association for the purpose of collecting military and economic secret information for the Japanese military. Spies have been sent by this association to Chahar, Suiyuan, Tsinghai, Ninghsia, Shansi, Shensi and Kansu provinces to carry on their secret activities, the *Hwa Mei Wan Pao* of May 19 stated.

It is reported that a Chinese girl, Miss Wang chin-yu is also in their employ. Reported to be 22 years old, Miss Wang is a returned student from Japan and is now at the head of the secretarial department in the organization.

Poem of Marshal Feng Included in Banned Periodical

A poem by Marshal Feng Yu-hsiang, Vice-President of the Military Affairs Commission, urging the immediate recovery of lost territory, was included in the *Min Tsun Chou Pao* (People's Weekly), which was recently banned by the foreign authorities of Shanghai, the *Lih Pao* of May 21 stated. The following is a version of Marshal Feng's poem:

"Quietness and peace prevail in the surrounding districts.
All I hear is the ripple of the running water.
I can't go to sleep in the midst of the night
when I think of my fellow countrymen
in the Four Northeastern Provinces,
who are now being enslaved by the enemy.

"Territories of Four provinces have been lost,
and more than 3,000,000 rifles have been seized by our foe.
This is the time to save the nation.
Don't wait to be annexed by our enemy."

Northeastern U. Students Stopped at Liuchuan, Return to Peiping

Lively scenes were witnessed at the Chienmen station in Peiping, May 25 when the several hundred students of North-Eastern University who left for Nanking on May 19 returned to Peiping by a special train. Weary and hungry, they were greeted by several hundred boisterous supporters bearing food and drink, which they promptly consumed on the platform.

The 300 odd students of North-Eastern University, who left for Nanking in a special train on May 19, telegraphed to Peiping May 13 that they were being detained at Liuchuan, in northern Kiangsu, by the local authorities. As a result, an indignation meeting was held in Peiping by supporters of the students, at which they decided to stage a demonstration before the Municipal offices with the object of enlisting the assistance of General Chin Teh-chun, Mayor of Peiping, on behalf of the students.

When the students arrived in Liuchuan early Saturday morning after their departure from Peiping last Wednesday, they were met by officials from the Ministry of Education and the special administrator of the Hsuchow area. Troops under the command of General Hu Tsung-nan and representatives of General Yu Hsueh-chung, one of the Northeastern Army leaders, were also present. After a prolonged conversation, the students finally agreed to return to Peiping on the condition that their demands be forwarded to the Nanking authorities.

A secretary of Marshal Chang Hsueh-liang, former commander of the anti-Communist forces at Sian and one-time Manchurian warlord, arrived at Liuchuang from Fenghwa to dissuade the "petitioning corps" from proceeding further south.

Plans to Transfer University Cancelled?

Plans for the transfer of Northeastern University to Sian have been cancelled by the Nanking authorities, who have also agreed to restore a grant of $25,000 to the institution, an official representative of Gen. Chin Teh-chun, Mayor of Peiping and key member of the Hopei-Charhar Council, publicly announced in Peiping May 21. The statement, assertedly based on a telegram from Nanking received by Gen. Chin, was made in front of a motley crowd of about 400 men, women and children who thronged the Chienmen station demanding free transportation to Nanking. The demonstrators, who claimed to be relatives of a group of 374 students from the institution then on their way south to the capital by means of sit-down tactics, agreed to disperse following the announcement.

One spokesman of the group, however, announced that another attempt to proceed south would be made if the statements by Gen. Chin's representative were false.

Further Demonstrations at Chienmen Station

The night's demonstration, the second in three days, was staged by persons claiming to be from Manchuria who sought to reach Nanking to support the petition of the students regarding three issues. These were:

1.—The return of Marshal Chang Hsueh-liang as chancellor of the University;

2.—The retention of the institution in Peiping;

3.—The restoration of a $25,000 a month subsidy.

The demonstrators attempted to repeat the successful sit-down and lie down methods of the students, by encamping on the platforms. The railway authorities, however, again balked their plans by dispatching the Shanghai-bound Blue express from Yungtingmen Station, the first stop on the run to Tientsin.

The crowd appeared well equipped for a long siege, with bedding, food and water available. Included among the temporary "platform squatters" were aged men and women, children and infants. More than half were women.

An unusual measure was taken May 24 to appease the agitation of supporters of the North-Eastern University when General Shao Wen-kai, Chief of the Military Police in Peiping forestalled their threatened demonstration by paying a series of house-to-house visits to the principal malcontents. General Shao urged them to abide by the Central Government.

Earlier in the day a deputation of these supporters had waited on General Chin Teh-chun, Mayor of Peiping, in order to press the claims of the students' families for free transportation to the South. The Mayor, however, declined to see them.

A handful of students of North-Eastern University, together with the families of the petitioners of those students who tried to get to Nanking, once again marched to the Chienmen station on the evening of May 24. This time, however, a strong force of police barred their way and the crowd was dispersed a few minutes before the arrival of the special train bearing General Chiang Tso-pin, Minister of the Interior, who was greeted by General Chin Teh-chun, Mayor of Peiping, and other Chinese notables.

A Japanese View of the Student Agitation

The *Shanghai Mainichi* commented May 20: "It is indeed a matter of queerness that General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, has voiced the necessity of an anti-Red defense, and yet he has permitted the activities of the Communist members and the anti-Japanese students in the schools in North China and that the Hopei-Chahar authorities have adopted a laissez-faire policy towards the recent seizure of the train bound for Nanking by the students. Meanwhile, it is understood that the attitude of the Nanking Government, which has granted permission to the students regarding their trip to Nanking, is also the manifestation of the ulterior motive of the Nanking Government following the compromise between the Kuomintang and the Communists."

Nankai University Alumni Secure Funds to Erect Club Building

The success of the campaign to secure funds for the erection of a club building for Nankai University alumni in the Capital was celebrated at Nanking, May 21. Speeches of commendation were made by Dr. Chang Po-ling, President of Nankai University, and Dr. Chang Peng-chun, Professor of the University. A Banner was given by Yen Tzu-heng on behalf of the Alumni Association in Tientsin. It is learnt that although only $21,000 were needed for the building, more than $34,000 have been contributed; Hsu Mo, Political Vice-Minister of Foreign Affairs and former Professor of the University, having secured the largest amount of contributions.

Aw Boon-Haw Representative Tours North China to Investigate Educational Facilities

Hu Chao-hsiang, representative of Hu Wen-hu (Aw Boon-haw), the millionare merchant and philanthropist of Singapore, was received by President Lin Sen at National Government House in Nanking May 19. Mr. Hu later proceeded to North China to inspect industrial conditions there and to make arrangements with the authorities there regarding the establishment of primary schools for which funds will be donated by his chief.

Revenues of Chinese Railways Show Increases

Chinese national railways registered an increase in operating revenue for the 1935-36 fiscal year, according to the English Edition of the "Statistics of Chinese National Railways for the 24th Fiscal Year," published this month by the Research Bureau of the Ministry of Railways.

Compared with last year five lines showed simultaneous increases in passenger and freight revenue: Peiping-Hankow, Lung-Hai and Kaifeng-Honan, Cheng-Tai, Taokow-Chinghua, and Peiping Suiyuan. In the case of the last line the increase in revenue is reported to be caused by the "increased purchasing power of the people of the Northwestern interior," which resulted in greater shipments of manufactured goods from the seaports.

However, five lines show a simultaneous decrease in passenger and freight revenue: the Peiping-Liaoning, Nanking-Shanghai and Shanghai-Hangchow-Ningpo, Canton-Hankow (Southern Section), Nanchang-Kiukiang, and Canton-Kowloon.

The Tientsin-Pukow line showed a decrease in passenger revenue but an increase in freight revenue. On the other hand, the Kiao-Tsi and Hupeh-Hunan lines showed increases in passenger revenue but decreases in freight revenues. In the case of the former the cause is laid at the door of smuggling and of floods, and the reduced revenue on the latter is reported to be caused by water competition.

Complete statistics on the operation of the roads are included in the publication under the headings of Equipment, Finance, Traffic, Operation and Personnel. This is prefaced by an introduction which, among other things, shows that the Chinese National Railways had a net profit per kilometre of line owned of $1,971.

Belgian Horsemen Involved in Incident with Chinese Police on Chungsan Road

Altercations between Chinese and foreigners arose on May 15, when Jacques Marcuse, of *Havas News Agency*, and R. C. Pierard, of the China Realty Co., both Belgians, accompanied by a lady, were horseback riding along Chungsan road on the outskirts of Shanghai. The incident occurred when the party reached the railroad crossing. Marcuse and the lady, who were riding at a rather rapid pace, crossed the railroad, but by the time Pierard arrived, the barrier had been closed and the latter bumped into it. In the ensuing argument fists began to be used in various undesirable directions. Marcuse returned to help straighten out the difficulties, while the lady started post haste for the Victoria Riding School, where the party had secured their horses.

Although calm was temporarily restored when officers of the Peace Preservation Corps arrived, another melee occured when one of the Chinese police pointed a gun at Pierard, whereupon the latter slapped the officer. The two foreigners, severely bruised, were taken to the Police Station in Lungwha from which they were released only after the intervention of the Belgian Consul and Mr. Robinson, of the Riding School.

According to latest reports only a formal protest is expected to be lodged by the Belgian Consul, but it is not yet known what action will be taken by the Chinese authorities to clear up the matter.

Plans on Foot at Nanking to Establish National Export Company

The People's Economic Reconstruction Movement Association in Nanking is studying a joint proposal drawn up by its secretary, King Chi-po and expert, Cheng Chu-ping, calling for the establishment of an export company in the capital. The proposed company, it is pointed out in the proposal, will lend an impetus to the development of native industry in the surrounding districts of Nanking and provide jobs for the thousands of the unemployed. The opening of the export concern is considered opportune in view of the suspension of the International Export Company, a British firm which did a thriving business in exporting eggs and poultry products in former years. About 2,000 workers of the firm are now out of jobs.

National Handicraft Products Exhibition Held at Nanking

The National Products exhibition was formally opened at the National Art Gallery at Nanking May 20. The opening ceremony was presided over by Wu Ting-chang, Minister of Industry, and attended by more than 200 officials and industrial leaders, and representatives of the handicraft organizations in the various provinces and municipalities. He said the exhibition is being held with a view to promoting the handicrafts in the rural districts and alleviating the economic condition of the rural population.

Ministry of Industry Repudiates Transfer of Liuchang Coal Mines

The transfer of the mining rights of the Liuchang Coal Mining & Railway Company at Linyu, north-eastern Hopei, to the Tai Chi Company, a Sino-Japanese Mining Company, has been repudiated by the Ministry of Industry on the ground that the Tai Chi Company has not been properly constituted in accordance with the legal requirements. Separate notifications to this effect have been despatched by the Ministry of Industry to the Liuchang Coal Mining & Railway Company and the Hopei Provincial Government.

Appointment of British Tea Adviser Approved by Ministry of Industry

The Ministry of Industry has given formal approval to the appointment of P. E. Witham as technical adviser of the China Tea Corporation, Ltd., the semi-official enterprise recently formed for the improvement of the production and marketing of tea. Mr. Witham was formerly connected with Messrs. Charles Hope & Son, of Mincing Lane, London, and has had 14 years' experience as a tea planter on well-known estates in Assam, India.

Mr. Witham's engagement by the China Tea Corporation was made on the recommendation of the Sino-British Trade Council and Sir Hughe Knatchbull-Hugessen, the British Ambassador, and endorsed by leading tea merchants in Shanghai and London.

Shanghai Financiers to Build Sugar Refinery in Kiangsi

The Commissioner of Reconstruction for Kiangsi is negotiating with Shanghai bankers for the establishment of a sugar refinery in Kiangsi province. It is reported that the factory, to be capitalized at $1,000,000, will be built at Nankang or Loping.

Regular Through Service Between Shanghai and Canton to Be Opened Oct. 10

Work is being rushed for the linking up of the Chekiang-Kiangsi, Canton-Hankow and the Nanping Railways, so that through train service between Shanghai and Canton will be inaugurated on October 10. It is reported that with the opening of this service, one will be able to reach Canton from Shanghai in 20 hours.

Ministry of Railways Inspects Construction of Nanking-Kiangsi Railway

Chang Kia-ngau, Minister of Railways, proceeded to Suancheng, south-eastern Anhwei, this week to inspect the construction of the Nanking-Kiangsi Railway. Engineering work on the line is being rushed day and night. Nearly 80 per cent of the roadbed in the Anhwei section and 50 per cent in the Kiangsi section have been completed. The laying of tracks will be started next month. The line is scheduled to be opened to traffic in December.

Survey of the Ankang-Paiho section of the Hangchung-Paiho Highway in southern Shensi will be completed next month. The road will be built under the supervision of the Shensi Provincial Department of Reconstruction.

Chilean Mission Asks China to Abolish Duties on Nitrates

A Commercial Mission from Chile, at the head of which is Senor Maximano Errazuriz, is at present on a tour of China, having arrived here recently after a visit to Japan. The principal aim of the Mission is to secure an extension of the import of Chilean nitrates into the country. Senor Errazuriz interviewed prominent officials in Nanking this week with a view to securing the abolition of duties on nitrates into this country. Senor Errazuriz stated in an interview in Shanghai that China is the only country in the world that places a duty on nitrates—primarily a product that is used for fertilizer. He added that China's imports of nitrates had in recent years dropped to almost nothing.

Trade conditions and the progress of China during recent years were disclosed to members of the Chilean Trade Commission by Dr. Chu Chia-hua, Chairman of Chekiang, in a statement welcoming their recent arrival in Hangchow. Dr. Chu particularly pointed out that great improvement had been made in the quality of silk and tea produced in Chekiang province and he hoped that "when you go back to your country, you will try to acquaint your fellow countrymen with the excellent qualities of these two special products which are world-famous, and the use of which will add to the comfort and grace of civilized life."

A reception was given by President Lin in honor of the Mission at Nanking May 21 when toasts for the mutual prosperity of the two republics were exchanged. A dinner in honor of the Mission was given in the evening by Wu Ting-chang, Minister of Industry, at the International Club.

The Chilean Commercial Mission has in the meantime proceeded to North China.

Bitter Shipping War Believed Imminent in Pacific

A *United Press* telegram from Washington, May 23, stated that the U. S. State Department is anxiously watching developments in a bitter Pacific shipping war which threatens to raise new obstacles to the flow of world trade. The Department has ordered full reports from the Embassy at London on the current Imperial Conference, which is reported to be devising new strategy in the battle for the trade between Australia and New Zealand and the West Coast cities of the United States.

Officials in Washington are particularly concerned over threats of the Australian and New Zealand governments to ban United States vessels from the Tasman Sea trade between the two dominions, in an effort to kill competition with British-owned lines.

U.S. Supreme Court Upholds Unemployment Insurance Measures

President Roosevelt scored another legal victory in the Supreme Court May 24 when, by a majority opinion of five to four, it upheld the constitutionality of his unemployment insurance measures. The Court ruled that a tax on pay-rolls to finance unemployment benefits was legitimate. The Supreme Court also upheld the constitutionality of the old-age pension plan.

Justices Butler, McReynolds, George Sutherland and Willis Van Devanter, the usual conservative bloc, dissented in the unemployment insurance case, on the grounds that the Act invalidated governmental administrative functions of the states.

"Fortune" Magazine Says President Roosevelt's Popularity Is Waning

The magazine *Fortune* May 24 published a survey purporting to show that the "chumping majority" faithful to President Roosevelt throughout election year, and which after the election reaffirmed its fidelity by favoring a third term for the President in 1940, has now shrunk to a minority. The magazine asserted that "the spell had been broken" for the reason that the public does not want the President's Court plan.

President Roosevelt Sends Message to Congress on Social Problems

President Roosevelt addressed Congress May 24 with a message proposing a vote on federal legislation, limiting the hours of labor per week, fixing minimum salaries abolishing child labor, and regulation of industrial produce among the states with a view to controlling labor condition.

President Roosevelt in his message said that the rudimentary standards proposed by him fell far short of the ideal, and he warned that "with the establishment of these rudimentary standards as a base, we must seek to build up through appropriate administrative machinery minimum wage standards of fairness and reasonableness, having due regard to local geographical diversities and the effect of unfair labor conditions upon competition in inter-state trade and upon the maintenance of industrial peace."

U. S. Steel Plants Operating at 91½ Per Cent of Capacity

Steel plants of the United Stated are now operating at 91½ per cent. of capacity production, the magazine *Steel* reported May 24.

U.S. $10,300,000 for Steel Research Work

The American Iron and Steel Institute announced May 24 that American steel companies would spend $10,300,000 this year on a research program, which would be the broadest and most extensive to be undertaken in many years.

Pittsburgh Crucible Corp. Gives in to Workers' Demands

The Crucible Steel Corp. of Pittsburgh, employing 18,000 men, signed a contract May 21 with the Steel Workers' Organizing Committee, ending a threat of a strike.

Hershey Chocolate Co. Cited for Monopoly

The Federal Trade Commission May 25 cited seven chocolate companies, including the Hershey Chocolate Corp., on charges of monopolistic practices and unfair competition.

Remarkable Progress of Reconstruction Work in Hunan

BY T. D. GEN

BEFORE the incidence of the Northern Expedition, Hunan was one of the most, if not the most, unfortunate province in China. Shortly after the birth of the Republic it became the bone of contention between the warlords of the north and the south. With numerous banditti and frequent overflows of the Tungting Lake, this province for a long time was almost reduced to a country of beggars and robbers. But since it has come under the control of the central government, and with General Ho Chien as the Chairman, Hunan has made remarkable progress, for, being free from civil strifes the authorities have been able to devote their full energy to reconstruction work, such as clearing up the banditti, repairing the dykes around the Tungting Lake, and improving the poverty-stricken villages.

Adjustment of Provincial Finances

With the downfall of the Manchu Regime the Kwan Chian Chu (official Money Bureau) was converted into the Hunan Provincial Bank, which issued such a plethora of paper money that it became bankrupt in 1918. In the year 1926 the Communists got control of this province and the result of their specie centralization policy caused another bankruptcy, which occasioned a worse calamity than the first one. The loss sustained by the people together was estimated at one million dollars and the sufferings of the people were unspeakable. It was not until 1930 that the authorities found themselves ready to reform the confusion regarding money matters in this province.

General Ho Chien

Among the measures taken, the major ones are: Prohibition of issuing paper money other than by the provincial bank; Extension of the activities of the provincial bank; Prohibiting usury; To stop the debased coppers coming from Szechuen; To stop minting more coppers and melt down the debased ones; Prohibiting profiteering by remitting, and gambling in buying and selling.

Agriculture, Forestry and Irrigation Works

With its congenial climate and fertile soil the greater part of Hunan is well suited for rice-growing. But owing to the primitive methods used by the peasants and ruin of the waterworks the production is very low and the people are not infrequently visited by famines. To teach the peasants better methods and use better seeds a large agricultural experimental station was recently established, the results of which in some places are already visible.

Hsiang-chia, or Hunan tea, is known throughout the world and formerly Hunan sent abroad more tea than any other province. But again, due to unprogressiveness of the peasants it has lost many of its markets. To encourage the tea industry the authorities first had a school of tea opened and attached to it a big tea manufactory with new machinery to make red tea and green tea. Soon after it was enlarged into an experimental station with several hundred mow of land, working and experimenting with the purpose of transmitting to the peasants any fine results it attained.

The soil of Hunan is no less suitable for growing cotton than for tea, especially those districts around the great lake. To improve the quality and to increase the quantity the provincial government has established a big cotton experimental station at Chang Chiao to the west of Changsha. In the countries around the lake over one hundred thousand mow of land are under cultivation of cotton on cooperative principles. Banks are induced to make loans to the peasants who borrow money through the cooperative societies. Seeds were brought in from Shantung and Honan; the yearly production is already twice that of five years ago.

The southern part of Hunan is covered with forests, especially those of cedars. In 1933 three forest bureaus were established to develop the forestry of this province. The first Forestry Bureau is at Yolu Shan, in Changsha, the second at Nan Yu Shan and the third at Yang Shan in Changteh—various forests being planted for various purposes in accordance with local needs. Special encouragement is given to the cultivation of tung trees;—wool-oil forms no small part of our exports.

The Tungting Lake, said by the ancients to be eight hundred li in circumference, is the scourge of the people on its borders, and has been the cause of many a famine and calamity. Preventive works were not wanting even in the Manchu Dynasty but all unequal to the purpose. To combat the great evil General Ho Chien calls to his aid the combined forces of modern sciences and arts, First of all he established a commission of experts and various surveying parties were sent out to make extensive surveys of the lake itself and the districts around it. To prevent drought and inundations old dykes were mended and new reservoirs were built. What is more, with modern pumps morasses were drained and the outer dykes encircling the cities of Feng Hsien, Changteh and Yu Yang were either raised higher or repaired. It is expected with confidence that within a few years the great scourge will be prevented from doing any more harm.

Mining Resources

Hunan abounds in mineral resources, having no less than 31 kinds. Among these, antimony occupies the first place, its yearly output being more then ten thousand tons. Next in importance come tungsten and lead, both of which are abundant. Numerous as they are most of the other mineral deposits remain little developed, either because of want of capital or because of the obsolete methods. Only antimony, tungsten and lead, because of their usefulness in manufacturing military supplies, have a great demand in foreign countries. The working of antimony mines was recently brought under the joint management of the central government and the provincial government; the output of last year shows an increase of ten million dollars over that of the previous year.

Industrial Development

Situated in the interior as it is, until the end of last century Hunan was known to the outside world chiefly through its hand industries as those of grass-cloth, paper-making, porcelain, bamboo works and lead works. At the beginning of the twentieth century modern industries began to gradually establish themselves, such as cotton mills, glass-manufactories, tanneries and iron works, but due to the incessant civil wars they had to fight hard for existence and had little opportunity to prosper. During the past few years, however, with the completion of the Canton-Hankow railway and development of motor-roads systems many new enterprises have sprung up and old ones revived. Among these a few in particular may be mentioned: Hunan Machinery Factory, with a capital of $240,000; Hunan Paper Manufactory, $200,000; Hunan Spirits Manufactory, $300,000; the First Cotton Mill, $3,620,000. These are all under the management of the provincial government while a mention of private industries will include such names as Pao Hwa Glass Company, the Yo Hwa and Yo Sung Tanneries; also flour mills and iron works.

Motor-roads multiplied very rapidly in this province, which has already a mileage of ten thousand kilometers, only next to that of Kiangsi, where, however, the roads were built with money from the central government.

National unity and internal peace are the two prerequisite conditions to the national Reconstruction movement. What is done in Hunan has also been done, more or less, in other provinces. These combined constitute the material progress made by China during the last few years—which is acknowledged by many foreigners, friends or otherwise.

Shanghai, May 24, 1937.

Russian Concubine of Deceased North China General Makes Claim to Share of Estate

A case of unusual interest is at present being heard in the Tientsin District Court, in which a claim has been filed by Miss Vera Ignatieff, a former resident of Shanghai, against Hsu Chu-chuan, nephew of General Ralph Lulu, *alias* Lu Shao-tang, (former Police Commissioner of the Tientsin Chinese city) claiming joint management of the estate of General Lulu, $8,000 as her maintenance fee, return of a diamond ring and payment of medical expenses and house rentals allegedly advanced by her, totalling $444. In her complaint Miss Ignatieff stated that she and General Lulu cohabited and she was with him until his death on August 17, 1936.

At a recent sitting of the Court May 21 A. Neumann told the Court, through the official Russian interpreter, that he occupied the same building as the plaintiff in Chekiang Terrace when she was living there. As a neighbor living in the same building he knew only the fact that General Lulu joined her there. Plaintiff had a family of six members, otherwise he did not know anything of her family affairs. The house was rented in her name.

Wang Chien, who is connected with the S.A.I. Forum, said he knew General Lulu and that the latter had a Russian wife before. They separated afterwards. Then General Lulu removed from a local hotel to the house in Chekiang Terrace and there lived together with the plaintiff. He also referred to a house on Gordon Road and in the I-pin Building, occupied by the plaintiff and General Lulu.

Miss Ignatieff, giving evidence, said that when she lived with General Lulu the latter gave all his monthly income to her and took from her the money he required from time to time. At first he gave her $1,000 a month, and afterwards the general's monthly income was $1,500.

Judge Lu urged that efforts be continued by all parties concerned to reach a compromise settlement and said that he wished to hear the result at the next sitting. Mr. Wu, attorney for the defendant, said that his client would come back to Tientsin at the end of the month.

Japan's Internal Unrest May Drive Her Army to a New Foreign Venture

BY C. Y. HSIEH 謝志秅

IT has so frequently occurred as to become almost a rule that when a powerful autocratic regime fails miserably at home and finds itself losing popular support, it prefers a dangerous course to meek abdication of power—namely, a foreign venture. Very often such ventures are known to offer no real solution to its vexing problems; at any event they are, if any solutions at all, far too costly ones to appeal to courageous and right-thinking statesmen. The fact, therefore, that they are resorted to as the way out is a sure sign of the lapse of statesmanship in the politically diseased states concerned. And the result is, more likely than not, disaster.

Louis Napoleon tried the method when he found the enthusiasts who acclaimed the formation of his Second Empire turned into malcontents and hostile critics. So hasty was he to avail himself of illusory salvation that it required a mere ruse of Bismark to send him on the fatal path.

The Great War would have been prevented had the powerful empires, chiefly Austria-Hungary and Russia—then in throes of domestic turmoil—not attempted to cut the Gordian knot with fire and sword. As it was, the glory of victory abroad as a palliative to internal troubles proved too tempting to be resisted.

Coming to the case nearer home, is Japan who has sought the same remedy to her ills going to fare better? In 1931 when depression had visited her and left in its wake popular discontent and rise of leftist tendencies, she launched the Manchurian invasion. Success seemed to have crowned her subsequent acts; to all intents and purposes she has apparently "got away with it." But has she really? Let us see.

Japan's Hopes Not Realized

To Japanese exponents and followers of the Continental policy the forcible occupation of China's four Northeastern Provinces must be entered, in their national book of accounts, on the side of assets. They took it for granted that with the seizure everything would be alright for Japan—outlet to population pressure, supply of raw materials, market for industrial products, etc., being considered. Their sanguine hopes, however, have not been substantiated by facts.

The same Japanese today must have awakened to the painful realization that "Manchukuo" as their emigration ground has been and will be a mere drop in the ocean of their population problem. In regard to raw materials Japan in 1937 is no less "hungry" than she was in 1931. Expectations that the puppet state would absorb a huge volume of Japanese industrial goods have not yet come true.

So much for the highly doubtful assets.

If a list of debits be drawn up—which the Japanese expansionists are generally reluctant to do—it will be shown to include a number of serious items. With the exception of one or two fascist Powers Japan can count no real friend among the family of nations. The good reputation she has assiduously built up during the past half century as the champion of modernization and westernization in the Orient now gives way to widespread suspicion and distrust. Supremacy and hegemony she has sought in vain, at the expense of her national honor and prestige which, intangible things as they are, are nevertheless great imponderables in Far Eastern politics. In the East Asiatic situation which she set out to disturb for the sake of national aggrandisement, a state of equilibrium is more nearly achieved than ever before so that further aggression would prove extremely risky, if not impossible.

And yet all these setbacks in international relations may be lightly dismissed by the Army and its supporters as of no consequence anyway. Granted that they need not be bothered about foreign reaction to Japan's actions, could they shut their eyes to the consequences at home?

Armaments Mount Rapidly

Because of her isolation Japan has irrevocably committed herself to a policy of ever mounting armaments. The fighting services now burden her budget with more than 50% of the total national expenditure of Yen 2.2 billions, and still think little of it. The natural corollaries of such a "defence budget" are not far to seek. In proportion to the boom in the arms and munitions industry, the index of commodity prices has soared merrily. The government control of foreign exchange, instituted so as to facilitate the importation of raw materials for the heavy industries, has operated to the detriment of industry in general. To give an example out of many, the shortage in cotton supply has become acute, and its adverse effects on textile manufacture, the mainstay of Japanese industry, is widely complained about. With relative falling-off in industrial production, the adverse balance of trade reaches alarming proportions, to further weaken Japan's credit position abroad. These disquieting conditions, however, do not deter the military in the least who recently gave the Japanese people to understand that they are going to ask the newly elected Diet, when it convenes in August, to make extra appropriations in next year's budget of Yen 500 millions to be used in putting the country's economy on a semi-war footing. On the same footing apparently, is Mr. Yuki, of sound finance fame, overhauling Japan's financial structure! As for rural districts, to which the Army had promised so many good things at the outbreak of the Manchurian incident, they are expected to bear the ever crushing taxation and to continue to furnish the usual quota of man power. Their relief? Well, it can always wait; it must.

When the economic and financial strain of Japan is considered, it is small wonder that its political pot should have been boiling so hot of late (The real wonder, we may add parenthetically, is that no explosion has yet occurred from the nether strata). The fight between the Army and the political parties on the constitutional issue, far from affording a decisive solution long hoped for, developing into a mocking stalemate in which the honors or rather dishonors are divided. The politicians who know their own weakness as well as their strength have no illusion as to the outcome of a showdown with the military. They can push their recent electoral success to advantage up to a certain point; beyond that they dare not vouchsafe. Their polling strength may carry the country with them, yet they are aware it would in no wise avail against the dictatorial rule of the military. It is knowledge of this sort that produces a feeling of the futility of striving and counsels compromise. So in spite of all the fireworks attending their recent tussle against the Army, we have now been told that the political parties would rest satisfied if they were given the second fiddle and not completely ignored.

This stand, instead of mollifying the Army's temper, tends to harden its utter contempt of the politicians and to convince it of their baneful influence. The result is devastating. Since the military-fascists have gathered sufficient courage to emerge from the defensive taken right after the formation of the Hayashi Cabinet, they have now begun to launch open and systematic attacks on constitutionalism. With the Premier determined to disregard the popular verdict and cling to power, the Army will see to it that strong forces will be marshalled to bolster his position. In this connection the voluntary dissolution of the bureaucratic Showa Kai and General Hayashi's negotiations with prominent fascist leaders must be taken as deck-clearing action for the formation of a grand pro-government party.

Yet the paradox of the Japanese situation is that the more powerful the fascists become, the more are they losing the confidence of the nation. They have had their chance—and ample chance at that—ever since the Manchurian incident, without turning it to good account. Having led the country to a blind alley, they mean to persist in it not because they are ignorant of what they have been doing, but because a retreat would deal a fatal blow to their prestige and position in Japan. Thus in proportion as the Army tightens its control to bring about perfect union between it and the people, popular sympathy with, and confidence in, it tend to diminish. Under its headstrong rulers the nation has groped in vain for a way out.

Hayashi Cabinet Needs a Success

Balked at home, the Hayashi Cabinet is in dire need of a success in the diplomatic field. The fact is that Japan is not so indifferen, to foreign reaction as she has pretended herself to be. Above allt she must bring about a favorable change in the existing Far Eastern situation which has been rendered very irksome to her by China's firm resistance, the Soviets' preparedness for eventualities and the general unsympathetic attitude of the other Powers. For this reason professions of a "new deal" policy of equality and reciprocity toward China are in the air, having been carefully worked and followed up, while assurances regarding relations with Soviet Russia have not been spared.

Having apparently created a general impression of sweet reasonableness, Japan recently approached London with an overture for rapprochement. While a succession of complimentary gestures on her part seemed to bespeak of a sincere effort to break the deadlock, there is unfortunately as yet no fundamental change of heart. Her stand in the Anglo-Japanese negotiations, in so far as it affects China, is still one of "special position," "spheres of influence," etc., which implies a policy of ultimate subjugation. Thus the overture which was designed to ease the Far Eastern tension could have slight chance of achieving its purpose, being as it were a distress signal from an unrepentant delinquent.

Should the road to a new Anglo-Japanese alliance be blocked—which is very likely under the present circumstances—what next?

Our surmise is that Japan will start another venture on the Asiatic mainland. Whether the goal is North China, Inner Mongolia or Soviet Far Eastern territory, the idea is to break the existent impasse by force. For it is not likely that Japanese diplomacy can survive its present futile appeal to London. The very fact of this round-about approach indicates that the pious lip service of Mr

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N. Sato and his kind notwithstanding, Tokyo has no intention to effect a direct reconciliation with China on an equal and equitable basis. When one tries to check the recent trend of Japan's policy with her Foreign Minister's laudable public statements, one cannot help feeling the pity of it all.

Just as the "new deal" theme grows dim, so jingoistic propaganda once more rears its ugly head. The Army through General Sugiyama the War Minister and a bellicose section of the Japanese press have suddenly discovered that Japan has made too much allowance for China whose "over-confident attitude" amounts to an insult to Dai Nippon. After all, they seemed to regret, it seldom pays to be generous, even if that generosity be of the verbal variety.

Coincident with the changing tone of those who count at home, Japanese diplomatic, military and naval agents in China have been very much on the move. Shanghai and Tientsin have become venues of conferences for Japanese consuls stationed in south and central China and in North China respectively. Scarcely has Lieutenant-General Kita returned from a "pleasure trip" to Kwangsi, Yunnan and Szechuan Provinces in which the spirit of disaffection may yet be kept alive against Nanking, when another Army veteran—General N. Abe—was reported as having arrived in Hankow presumably also pleasure-bent. Meanwhile, an admiral of no uncertain political leanings has been visiting Peiping and Tientsin, where it has become quite a fashion now-adays to call every new bond of servitude just another innocuous project of economic cooperation. And in the midst of such busy activities the Japanese diplomatic agents have found time to serve with the Chinese authorities "friendly warnings" over such matters as Chinese press reports on Haiho floating corpses and the transfer to Tsingtao of central revenue guards attached to the Ministry of Finance. All these events took place while Mr. Sao spoke for Japan as willing and ready to give China equal and reciproca treatment!

Nor was good grace transient to China alone. Mr. Sato may never despair of a peaceful settlement with the Soviets who for that matter must be regarded also as reasonable beings. But somehow or other their reasonableness has not quite come up to such a standard as to merit a non-aggression pact. Accordingly Mr. C. Yurenev, whose tenure at Tokyo during these years of stress and strain has been anything but enviable, was denied the satisfaction of seeing any Japan-Soviet issue settled before his transfer to Berlin. His departure has, moreover, been accompanied by a fresh crop of border clashes, espionage scares, complaints of maltreatment of nationals, and other familiar scenes along the Soviet-"Manchukuo" frontiers.

Peace in the Far East hangs so heavily on the tender thread of the mood of Japan's fascist regime that it is precarious to say the least. Since the Tangku Truce it has enjoyed a spell of about four years simply because that regime has managed to be a going concern at home and abroad. As time progressed, this has become increasingly difficult so that the Army and its proxy General Hayashi today face the gloomy prospect of domestic impasse and international isolation. Exigencies of the times have forced the Japanese Government to intensify its own fascist, totalitarian character at further expense of popular support and confidence. And it is this dilemma of greater sense of power on the one hand and of greater consciousness of its failure to carry the country with it on the other which has led many a regime to a foreign venture and ultimate disaster.

Will the Hayashi Cabinet be an exception?

May 23, 1937.

An Inside Story Concerning the Daily Life of the Bandits in Honan

BY C. Y. CHANG (張仲友)

GENERAL Chang Fang, commandant of the 20th Army, once said that the number of the bandits in Honan province totals over 400,000. Judging from the fact that no place in the province had escaped disturbances and that many people followed looting as their favorite profession, General Chang's words are not far from the truth. In recent years, considerable progress has been made in bandit suppression, and generally speaking, the people of Honan seem to have of late enjoyed more peace.

The narrations in this article are based on my own experiences.

The Daily Life of the Bandits

The bandits have many superstitions, especially in matters relating to their eating, talking, sleeping, and social intercourse. Before taking their meals, they sprinkle wine on the floor so as to show their respect to Heaven, Earth, and Parents. It is strictly forbidden to eat the heads of chickens and fish, as it is believed that great misfortune will follow if they do so. It is also believed that to put one's chopsticks upon a bowl or a dish after meals will cause great misfortune.

In ordinary conversations, eight words are taboo. These are "dream, tiger, wolf, tooth, spirit, pagoda, ghost, and pig." The leaders frequently change their sleeping quarters, lest their enemies should discover their whereabouts. So as to keep on the *quivive* they have a custom of tying a piece of burning incense to one of their thumbs. When the ringleaders celebrate their birthdays, guests come from all directions. They bring all their captives to the banquets to exhibit their merits to the guests. Usually they get tens of singsong girls, playing and dancing for their guests.

The ringleaders of small groups are called "Tang-Chia-Ti or Master of the House." They divide their spoils according to the number of guns. It is not uncommon that some of them rent guns from their fellows.

The ringleaders of large groups are called "Ta-Chia-Tze or the Elder Scaffold, Er-Chia-Tze or the Second Scaffold," and so forth. And some are called "Ta-Yeh or Venerable No. 1," "Er-Yeh or Venerable No. 2," and so forth.

The bandits' clothes are of various colors: some wear pure red; some, pure yellow; and some, soldiers' uniforms. In summer, they usually bare their bodies completely. Nearly all of them smoke or use heroin, opium, and white powder, for which they spend at least $3 or $4 per day. In organization, the bandits, as well as the soldiers, have colonels, majors, captains, sergeants, and corporals. When defeated, they lose heart, but they strive hard to acquire merits when winning. Besides rifles, and pistols, they have modern guns and field-pieces.

When capturing a town or a village, the bandits take away all sorts of people, no matter whether they be rich or poor. They tie each ten or twenty of the captives together like cash on strings. Finding out the rich, they note down whatever they have in their families. When moving from one place to anothre, one bandit leads the captives, going ahead. Others with their guns walk on either side, while the rest follow behind. Usually the men and the women captives are kept in separate rooms. Before 10 o'clock at night, no one is allowed to fall asleep, lest they take full rest and get enough strength to run away.

After capturing a town, the ringleaders of the bandits sometimes address to the public, paste up posters, and distribute handbills. They announce that they come to overthrow the rich and save the poor. Sometimes they establish an understanding with the local Mintuan or People's Army.

In order to keep the prisoners from escaping, and induce them to obtain ransom quickly, the bandits treat them in the following ways: (1) Paste their eyes with ointments, (2) Dig a deep trench, fill it with mud, and make them lie naked in it, (3) Wash their bodies with boiling water in summer, and cold water in winter, (4) Burn them with bundles of incense, (5) Burn their eyes with dirty clothes, mixed with wood powder, (6) Put them into manure pits, (7) Beat them with big clubs, (8) Pour kerosene or sour water into their noses, (9) Cut off one ear or one finger, and send it to their homes, (10) Burn breasts of women with fire, (11) Open the muscles with a sharp sword, (12) Play cards on women's stomachs, the latter being severely beaten if the cards fall down, (13) Tie the thumbs of two prisoners together and hang them on a wall, or tie them on a bed, with their faces to the sky, unable to move, (14) Tie them immovably to a low post, (15) Put them in a dark and deep den for some months, (16) Wrap them in a mat and turn it upside down, and (17) Heat their backs with fire.

Classification of Bandits

The bandits in Honan province may be classified as follows:

Tomb-digging Bandits—Loyang, a well known city in Western Honan, had been the capital for nine dynasties in Chinese history and the royal tombs can be found everywhere. In the vicinity of Loyang, there are some bandits who neither loot the rich nor capture the people for ransom, but they dig old tombs for ancient art relics. Usually several tens of them join together, fighting with the local people, or some other bandits, or government troops, who make trouble for them in the digging of the relics. Some of them are specilized experts, knowing where the relics are.

A famous tomb-digging bandit, named Li-Ta-Chiao or Big-Feet Li, with his followers, has discovered 3,000 valuable relics within five years. Of them, 2,960 have been sold in Peking, Tientsin, and Shanghai, to foreigners. Of the rest, large ones have been retained by a high military official. One of them is a big "ting or tripod with two ears," made in memory of the Eastern Expedition of Chow Kung of the Chow Dynasty, (some 3,000 years ago) a very famous episode in Chinese history. Wishing to buy the 30 valuable articles, a certain foreigner is said to be willing to pay $6,000,000.

Soldier-Bandits.—In Southern Honan, the soldier-bandits were common, a few years ago. Up to the present, such kind of bandits are rare. During the day, they are regular troops, maintaining order and peace in their localities; but at night they send out some of their own men to loot. They support bandits with ammunition, or recruit them as their own men, when the local people ask them for suppression. Such bandits appear only at the soldiers' coming, and disappear at the soldiers' moving away.

Red Spear Bandits.—In Northern Honan, the various spear societies, such as White Spear Society, Black Spear Society, Heavenly Gate Society, Big Swords, and the others, had been very popular for sometime in the past. In order to protect their lives, and properties, most of the peasants joined them. At the very beginning, they, indeed, maintained order and peace for their localities. But they soon created disturbances, and turned bandits at last. Up to the present, their remnants exist everywhere and disturb the people.

Communist Bandits.—On the Honan-Hupeh-Anhwei border, the Communist bandits have prevailed during the past several years. Considerable disturbances have been done by them.

Evil Customs and the Bandits

Some evil customs are to be found in Honan province, especially in Western Honan, many of them immoral, absurd, and cruel. Due to the bad influence of evil customs, the people are easily transformed into bandits.

Should a dying man say to his son, "You are not my son, if you do not kill my enemy." The son immediately would take up his sword, search for his enemy, and return with the enemy's head, Then, the father would close his eyes, and die in peace. It is not unusual for this kind of vendetta to carry on from generation to generation.

South of Loyang, between the Lo River and the Chia River, about 300 li long and several tens of li wide, nearly all the people are bandits. They never go to the magistrate's court to carry on their legal prosecutions. They settle them by their own pistols. South of the Lo River, there is a small village, named Ki Li Ho Village. Every year, about 20 people are executed at the Great Bridge, outside of the East Gate of Loyang for committing robbery. In Western Honan, at several places, it is very hard to distinguish the common people from the bandits; because they work on their farms during the day, and when night comes, they turn bandits.

Another custom is "ta yeh or taking revenge." It is very common in Southern and Western Honan, for the farmers to sell what they posses to buy swords and guns to kill their enemies, and to set their houses on fire, after which, they turn bandits themselves.

The disposition of the people along the Yellow River in North China is passionate and cruel. Once a farmer's son was told by a fortune-teller that his wife's fate would bring him harm. Returning home, and taking a pistol, he shot her dead, and ran away to be a bandit.

Some works of fiction such as San-Kuo or the Three Kingdoms, Sui-Hu or Story of Robbers, and so forth, in which, robbery is encouraged, are circulating among the people. They have great influence upon the simple-minded, and the latter are easily stirred up to emulate the characters of the books.

Slang of the Bandits

Instead of ordinary speech, the bandits have their own slang; those who understand it are regarded as their fellow bandits. Travelling in the bandit district, one seems to get into another world.

In testing a stranger to see whether he is a bandit, they use the following dialogue.

Q. Where are you coming from?—*A.* I am coming from where I come.

Q. Where are going to?—*A.* I am going to where I shall go.

Q. What do you bring with you? —*A.* I bring three pieces of incense, and 500 cash. Friends, rich may come to you and go behind. (The stranger points behind when speaking the last few words.)

The stranger will not be looted, if he can answer the above questions. Sometimes the strangers are questioned in another way as follows:

Q. Where are you going?—*A.* I am going to visit the captor.

Q. Which captor do you want to visit?—*A.* I am going to visit so and so captor.

Q. Why do you visit the old captor?—*A.* I have a certain job to do with him. (Or I want to send him some money.)

Kaifeng, May 20, 1937.

How China's Export Trade Suffers from Lack of Standardization

(The following are extracts from a speech made by Julean Arnold, U.S. Commercial Attache, before the Shanghai Rotary Club, May 20)

China's tea trade declined, but not because the quality of China's teas had deteriorated. On the contrary, China produces the finest teas in the world but it has not as yet organized the tea industry so as to furnish considerable quantities under definitely standardized brands, with assured maintenance of uniformity of quality for these particular brands and under a progressive system of salesmanship. Similarly, China produces the highest quality of silks of any nation in the world but it has not learned how to produce certain prescribed qualities in standardized form and in sufficient quantities to meet possible expanding needs in the markets receptive to these particular qualities. In other words, our world today demands uniformity of quality in standardized form and in continuity of supply backed by enterprising salesmanship. As for tea and silk, the Ministry of Industry has already initiated certain reforms for improvements, especially in the silk industry.

China's flour mills still greatly prefer to buy foreign wheat because they know that they will receive the stipulated quantities of certain specified grades as and when needed. On the other hand, although China is reputed to be the largest wheat-producing country in the world, the farmers in the Yang sze Valley alone grow more than sixty different varieties, showing that there are as yet no standardized grades of Chinese wheat.

American oranges sell in large quantities in China in spite of the fact that this country produces oranges which are even more delicious. It is so difficult to buy uniformly graded Chinese oranges under reliably labelled brands that the standardized American fruit commands a good market here. Many people pronounce certain varieties of Chinese pomeloes superior in flavor to American grapefruit, but when the unsophisticated shopper buys a pomelo it is like purchasing a lottery ticket, as he gambles upon what he will get out of it.

At the Century of Progress Exposition at Chicago a few years ago, a buyer for one of the big American chain stores was attracted by a cigaret case made of lacquered silk, which was one of the articles comprising the Foochow lacquer exhibit. He found the price favorable and immediately wished to book an order for 200,000 of them with an understanding that he would take equally large or possibly larger quantities on subsequent orders. Unfortunately, the order was turned down because no one or no organization could be found to be sufficiently enterprising to develop the facilities whereby these cigaret cases might be turned out in huge quantities to fill sample requirements. You may say that this is out of the question because it is the product of the handicraft artisan. How about the U.S. $5 million dollars worth of cross-stitch work which went from China to America during 1936 and which is being exported in even larger quantities this year? This is, every bit of it, except for the linen upon which the work is done, the labor of handicraft artisans. But there are individuals and organizations which are sufficiently enterprising to realize that it pays to supervise the work of the handicraft artisans because they sense the significance of the American demand for something made by hand and which cannot be produced in the United States. I am convinced that China possesses a marvelous asset in much of its handicraft work, if only some persons or organizations or both will get behind it in a way so as to develop a certain measure of standardization sufficient to insure quantity production while conserving quality and fairly uniform price levels. If this can be done in cross stitch work, in laces and in certain embroidered articles, it would seem it should be possible to apply the same underlying principles to lacquer, bamboo and some other of China's handicraft art objects.

America imports annually nearly U.S. $2 million worth of pyrethrum flowers for manufacture into insecticides. The picking of the flowers involves hand labor, but the flowers must be uniformly pressed and packed and shipped by the tons to be acceptable to the American market. Lack of organized enterprise is alone responsible for China not having a large share of this business.

The only reason why the American people have made a very substantial start in the growing of tung trees is that they were confronted with very disturbing conditions of uncertainty in the tung oil industry of China. Had China been able to assure the American consumers of tung oil that they might depend upon its country for a uniform quality product within fairly reasonable price fluctuations, it is not likely that America would have made any efforts to grow the trees and produce the oil in commercial quantities.

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Ice Cream—Once Looked Upon as a "Barbarian" Dish—Has Now Become a Favorite Article of Diet Among the Chinese

BY T. S. YOUNG

OF THE many edibles introduced to our people from foreign countries, possibly no one is more popular than ice cream—an invention of the American genius. Just like chop suey to the Americans, ice cream has in recent years become a very favorite food to our people, especially to the people of the younger generation. Throughout the year, ice cream of different flavors can be procured from the market in the big cities, and consumed by the Chinese public with the fastidiousness of a connoisseur. In the Summer season, special shops have to be opened to meet the increasing demand, and banners with inscription of "ice cream" in big Chinese characters can be seen here and there in the streets of big cities. Even in small towns, ice cream of dubious quality is frequently sold by food peddlers at a few coppers per glass. To a certain extent, it has supplanted the watermelons as a Summer food to many of our people.

Twenty years ago, we did not know of such a quixotic name as ice cream. It would be a great shock to us, if we were served with any icecold dishes, for we had the belief that the eating of anything akin to ice would have the same serious effects upon one's health as the drinking of poison. We did not even use cold water to wash our faces, and then how was it possible for us to eat ice-cold food? For ages, we observed as a first principle of good health that nothing be eatable unless it was well-cooked and hot. Even in the eating of our favorite fruit—watermelon, we must content ourselves with a few small slices for the sake of our health. When we found the heat oppressive and unbearable, we did not eat or drink any ice-cold stuff to cool ourselves, but just took off from our bodies as much clothes as compatible to our standard of decency. We did not keep ice boxes, and found no profitable use of ice even in the very warm days, except for the purpose of preserving any corpses from decomposition before the encoffining ceremony. Even to this day, those people who believe in the old principle of good health will not eat ice cream until after it melts and turns into thick liquid!

An Example of the Old Prejudice

In speaking of ice cream, I must cite a very good instance to illustrate the prejudice of our people in old days. About thirteen years ago, a few of my friends and I, more for fun than for profit, formed a partnership in opening up an ice cream shop in the business center of Soochow in the Summer season. It was altogether a new adventure, as ice cream, as a food, was then little known to the people of that city. To arouse the public interest, we advertised extensively the food value of ice cream, and went so far as to reproduce in our advertisements the testimonial of a well-known medical authority of that city testifying that our products were absolutely hygenic. Many of the people who had read our advertisements came purposely to our shop and asked us to show them the "so-called ice cream"; and when it was produced, they knitted their brow and would not by any means taste any, though we good-naturedly offered them some free of charge. A few of the people, in their letters to us and their writings in the newspapers, demanded the immediate suspension of our business in the good name of public health. Our customers, therefore, were limited to only a few students, who were modern enough to overcome the old prejudices. For three months from the middle of June to the middle of September, we sold merely eighty dollars' worth of ice cream. But now I have been told that there are more than ten shops which are doing thriving business in selling ice cream in Soochow during the hot season. What is true of Soochow may be true of many other cities in China.

Ice cream may be long served in foreign homes in China, but it has not been extensively consumed by the Chinese until recent years. It is now a favorite food, the name of which is known even to small children. I tend to believe that its present popularity is not so much due to its food value as to its being a foreign food. During the past ten years, we have moved heaven and earth to modernize ourselves, and have gone through a great revolution in our appearance, in our habits and in our beliefs. We have aped every foreign fashion and incorporated every foreign custom into our life. What was condemned and rejected as exotic ten years ago is now highly commended and generally adopted. We have learned to sing the American love songs and dance to the tune of American jazz music, and then why should we not learn to eat the American-invented ice cream? All the modern people eat ice cream; and as we like to call ourselves modern people, so we must forget our prejudices and acquire the habit of eating ice cream. Thus we now all become lovers of ice cream.

I had not had the pleasure of eating any ice cream until I was twenty-one years of age, when I was in New York City. It may be of interest to relate the incident which led me to the eating of this famous American food for the first time. I had learned the name of ice cream before I went to the United States, but I had the same scruples toward such icy-looking stuff as the American had toward the ugly-looking chop suey. On my way going to the States, ice cream was, of course, served at every meal on the ship; but whenever my waiter asked me, "Pie or ice cream," I invariably chose the former, for I found it a policy of wisdom to observe our first principle of good health. Even in the States, for the first year, I still religiously followed that principle, though ice cream was so cheap and plentiful. Whenever it was served at the meals in the boarding house where I boarded, I always left the table without any refreshment. My fellow-boarders considered it an eccentricity of mine and also a subject of great amusement.

But one day in a very hot Summer while I was enjoying a baseball game at the Yankee Stadium, I found myself so thirsty that I would pay anything which could quench my thirst. The friend I went with had already finished his third ice cream cone. Driven by the thirst, I had no alternative but to buy an ice cream cone myself. I found it so chilly to my teeth, that I had to bite it bit by bit as slowly as a silkworm eats the mulberry leaves. I must confess that at the beginning its taste and flavor were not at all to my liking, but toward the finish, its cooling and refreshing effects were such that I retained not a trace of my former prejudice, though I was not without the misgivings that I might be immediately afflicted with stomach trouble. Its wholesomeness was very much confirmed by my finding that I felt not any ill effects the following day. Since then, I have eaten ice cream even in the Winter season. And when I returned to China, I brought back with me in ice cream freezer and also a recipe for making ice cream.

The Family Is Finally "Converted"

With the freezer and the recipe, I made ice cream frequently after my return, and became quite an experienced hand in its making. This led me to the opening of an ice cream shop as I have related before. At the outset, I had even the difficulty to introduce this wholesome food to my family members, relatives and friends. My grandmother, a very conservative and obdurate woman, who drinks very hot tea even in Summer, was especially uncompromising in her attitude toward this "barbarian" food, as she called it. Sometimes, when I was confined to bed because of slight indisposition, she would invariably attribute the case of my sickness to the eating of this "barbarian" food, and point me out as a warning to my brothers and sisters. Had she had her own way, she would have gone so far as to drop my freezer into the well, so as to banish this "Barbarian" food from our family once for all.

But things have changed so rapidly and tremendously during the past ten years, that even the old and conservative people can not be immuned from the influences of this change. My family members who dared not follow my way to eat ice cream before, have now all such a big appetite, that I find it quite expensive to serve every one of them with a small dish of home-made ice cream. Even my grandmother who could not even endure the sight of ice cream before, can now swallow a small dish of this "barbarian" food readily without any misgivings. In Summer, whenever we have any visitors, we usually serve home-made ice cream together with iced tea in place of watermelon as we used to do before. And my grandmother is even very enthusiastic in commending it to her friends who have not yet had the nerve to depart from the established principle of good health.

If the consumption of ice cream can be said as a sign of modernness, then China is well on the way to become a modern country. At present, ice cream is still considered as a delicacy of the bourgeoisie class, while the poor people can only avail themselves of that of very dubious quality from the street peddlers. But the name is known to all from the high officials down to the ricksha pullers. Even a farmer fresh from the country is no stranger to that well-known name, although he may not be able to tell what is ice cream and how it looks like. No longer has any one entertained any more scruples in regard to its wholesomeness as an edible and called it a "barbarian" food. It will not be a surprise that ten years from now our consumption of ice cream will be so large, that its manufacture will easily become an important industry in this country.

General Chen Cheng Exhorts Cadets to Live Up to Spirit of Whampoa Academy

Speaking at the weekly memorial service at the Central Military Academy in Nanking May 23, General Chen Cheng, Administrative Vice-Minister of War, gave an account of the steps taken recently by the Government for the readjustment of the national forces. He exhorted the cadets to live up to the spirit of the Whampoa Academy in facing hardships cheerfully, so as to prepare themselves for sacrifices on behalf of the country.

Lieut.-General Chen Chi-cheng, the new Dean of the Central Military Academy, was then formally sworn in to office. The oath was administered by General Cheng Chien, Chief of the Army General Staff.

Whereabouts of Szechuen Famine Relief Funds Now Clarified

The Ministry of Finance May 20 received a message from the business leaders in Szechuen in which the latter flatly denied that they had received a sum of $1,000,000 allegedly sent by the Ministry for the relief of Szechuen refugees. A telegram from Nanking to the *Lib Pao* stated that the money had been detained by the Provincial Government.

A *Kuo Min* message from Nanking May 22 stated that the mystery of the whereabouts of the million dollars in bonds remitted by the Central authorities to Szechuen last month for drought relief had been clarified. It was learnt that the funds were not remitted the Szechuen Provincial authorities until May 17. The bonds were converted into $714,362.42 in cash by the Young Brothers' Banking Corporation in Shanghai on behalf of the General Relief Commission.

It is stated that the delay was due to the time taken in realizing cash for the bonds and to the desire of the Commission to obtain another appropriation of $300,000 from the Ministry of Finance in order that the relief fund from the Central authorities might be increased to one million dollars in cash. However, in response to an urgent telegram from the Szechuen Relief Commission, the sum was duly remitted, thus clearing up a situation which at first caused rumors of wholesale peculation and "squeeze."

Messages received in Shanghai alleged that the Szechuen provincial authorities, instead of distributing the seven hundred odd thousand dollars among the various districts, merely informed the district authorities that so-and-so-much had been credited to their account and they could retain tax money to said amount; but as the taxes have already been collected for many years ahead it was not possible for the district authorities to raise any money.

A *Kuo Min* message from Nanking May 21 referred to the incident as "a new scandal which was causing heart-burning in official circles." The question was asked: "What has become of a million dollars' worth of bonds remitted by the Central Government to Szechuen last month for drought relief?"

The Famine in Szechuen as a Political Question

That the famine in Szechuen will become a most serious political question was the opinion expressed by the *Ta Kung Pao's* correspondent on his return to Shanghai from Chengtu May 20. The tension, he said, was the result of increasing uneasiness felt among the 30,000,000 refugees, who, in addition to their struggle for existence by eating mud, are still being compelled to purchase opium from the Provincial Government and to pay special taxes on their title deeds. Recently arrests of peasants because of their refusal to purchase opium repeatedly took place in various districts. The correspondent expressed the opinion that famine refugees in Szechuen could only be saved by an immediate settlement of the political problems in Szechuen Province. Regarding the latest rumors in said province the correspondent advocated the immediate handing over of political and military control in Szechuen to the Central Government by the Provincial authorities.

National Government Loans Szechuen More Money

Negotiations were completed last week between the Chungking banks and Liu Han-sen, envoy of General Liu Hsiang, for another political loan for the Szechuen Provincial Government, amounting to $4,000,000. Of the total loan, a sum of $1,000,000 was to be allotted for the relief of the famine refugees, a Chengtu message in the *Sin Wen Pao*, May 21 stated.

Negotiations are also on foot to allow Szechuen province to float $12,000,000 in relief bonds, the idea being to mortgage the bonds with Chinese banks in Shanghai. The granting of relief funds to Szechuen is bound up with pledges made by General Liu Hsiang, chairman of the Szechuen provincial government, to hand over command of the armed forces in the province to the National Government and to nationalize the provincial units.

Agricultural Commission to Be Organized in Szechuen

As a fundamental means of relieving the drought situation in Szechuen, an Agricultural, Afforestation and Loan Commission is to be organized under the joint auspices of the Provincial Government and the Chungking Provisional Headquarters of the President of the Military Affairs Commission. The rumor that the Chungking branch of the Central Bank of China had suspended remittances, was officially denied, according to a telegram from Chungking. The bank is carrying on business as usual, it was pointed out.

In order to facilitate drought relief in Szechuen, the Central authorities May 23 instructed General Ho Kuo-kwang, Director of the Chungking Provisional Headquarters of the President of the Military Affairs Commission, to adopt stern measures for the suppression of rumor-mongers.

General Chiang Kai-shek, has also instructed General Ho to launch a drought-relief campaign in conjunction with the various civic organizations in Szechuen.

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ACADEMIC CALENDAR
1937

Opening of Summer Term	Monday, June 28, 1937
End of Summer Term	Friday, July 30, 1937
Opening of Autumn Term	Monday, October 4, 1937
Thanksgiving Holiday	Thursday, November 25-26, 1937
End of Autumn Term	Friday, December 18, 1937

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Japan's Adverse Trade Balance So Far This Year More Than Half Billion Yen

INTENSE concern was voiced by Treasury officials in Tokyo May 20 as the adverse balance of Japan's foreign trade since the first of this year climbed to Yen 509,779,000. The enormous unfavorable balance, Yen 223,700,000 above the figure for the corresponding period of 1936, was ascribed by the officials to this year's record purchases of raw materials for the booming munitions industry. These imports, the official said, could not be offset by the brisk exports registered in the first half of the year. Meanwhile, financial observers expressed fear that the Government's plans to strengthen its control over exchange transactions, by regulating imports, would stimulate a further rise in the index of commodity prices.

Moreover, they pointed out, a restriction of imports would deprive manufacturers of raw materials, and would thus lead to smaller exports. In this case, they added, the adverse balance of trade would mount still farther. Substantiating these fears, importers of raw cotton and textile manufacturers have strongly protested against the Treasury's alleged slowness in granting permission to import cotton.

Textile Firms in Japan to Be Merged with Capital of Yen 29,600,000

The Yen 10,000,000 Nitto Cotton Spinning Company and the Yen 5,750,000 Nagoya Cotton Spinning Company, will be amalgamated on September 1, it was announced in Tokyo, May 21. The new concern will be capitalized at Yen 29,600,000.

Japanese Motor Car Production Shows Sensational Gains

Spurred by the boom in the munitions industry, the manufacture of all-Japanese-made automobiles is making sensational gains, a *Domei* survey of the automotive industry showed May 24. While the production of automobiles by Japanese firms totals today 10,000 units, the figure may rise to 50,000 within the next few years it was learned. The Nissan Automobile Manufacturing Company alone announced last week its plans for raising its annual production to 30,000 large and 5,000 small motorcars. By the end of this year, the concern's plant will produce 6,000 large automobiles. The Company, largest of purely Japanese automobile firms, manufactures the "Datsun" motorcars, similar to the "Baby Austin" mark, made in England. At present, Japan has 160,000 automobiles in use, of which about one-fifth are Nippon-made. Plans are now being made not only to satisfy the domestic demand of about 8,000 units a year, but also to produce automobiles for export.

Japanese Combined Fleet Returns to Yokosuka Naval Base

Ending strenuous war games at an undesignated part of the Pacific Ocean, the vessels of the Japanese Combined Fleet steamed into the harbor of Yokosuka, May 24 to take aboard this year's naval contingent.

Hayashi Again Denies Intention to Resign

Denying rumors that he was contemplating to resign, Gen. Senjuro Hayashi, Prime Minister, May 22 informed two retired generals that he intended to pursue his announced policies. Premier Hayashi reaffirmed his determination to cling to his post, disregarding the strong attack launched against him by the political parties.

Premier Hayashi Clarifies Position as Regards Posible Resignation

Premier Hayashi revealed May 23 that he will not resign if the non-confidence motion, expected to be introduced by the political parties at the extraordinary session of the Diet, is based only on the allegedly unconstitutional dissolution of the last Chamber. This disclosure, which is expected to affect the parties' course of action, was made by the Premier in a press interview, at a luxurious Kamakura villa, put at Gen. Hayashi's disposal for the week-end by a friendly millionaire.

"I shall consider my resignation or a redissolution of the Diet seriously only if the censure motion attacks the Cabinet's policies," he said. Gen. Hayashi admitted that it would not be easy to re-dissolve the Diet, because of numerous factors, including the General situation prevailing at the time, the possible effect of the move upon popular opinion and the inevitable delay in carrying out projected reforms.

The Premier revealed his intention to appoint Ministers of Education, Railways and Overseas Affairs before the convocation of the extraordinary session, which, he added, would be called "as soon as possible." He reiterated that he has no desire to take the lead in forming a new party.

The dissolution of the Showa Kai party on May 21, he declared, was not caused by the Government's alleged plans to create a new political organization, which would support the present Cabinet. The Showa Kai, he added, was never regarded as a Cabinet party. Running on a pro-Cabinet ticket, the party lost five seats in the general elections of April 30.

Pro-Government Showa Party Dissolves Voluntarily

Leaders of the two major political parties, the Minseito and the Seiyukai, are jubilant over the voluntary dissolution of the pro-Government Showa Party, which they see as precursor to the Cabinet's imminent collapse. The *Nichi-Nichi*, a leading Tokyo daily, May 22, said that the party's disbandment will give the Government a chance to form a new party, capable of defending the Cabinet's standards. Metropolitan newspapers also reported that the major parties of the House of Peers, usually holding themselves aloof from parliamentary dickering, are favoring Premier Senjuro Hayashi's resignation.

Election Reform in Japan Engages Public Attention

Convinced by the outcome of the general election that the existing election law needs fundamental revision in the interests of political renovation, the Hayashi Cabinet and the Army, according to the Japanese press, are co-operating closely to realize this end with maximum efficiency and minimum loss of time. The revision program will be directed along four broad principles:

1.—Re-examination of the people's right to vote.
2.—Reduction in the number of parliamentary seats.
3.—Adoption of a large constituency system.
4.—Adoption of Government control of elections.

Five Admirals and Generals Made Members of Education Body

Five full generals and admirals, six scholars, a representative of the vast Mitsui concern and the Home Minister were selected by the Tokyo Cabinet May 24 as members of the newly created Educational Council.

Germs Allegedly Used in Mass Murder Attempt

Four persons are dead and 15 lying ill in hospitals with typhoid fever as the result of an alleged fiendish attempt at mass murder by a medical specialist at Kawaguchi, near Urawa, Saitama Prefecture. Accused of having sent gifts of cakes filled with deadly typhoid germs, Teizaburo Takahashi, 35, an ear, nose and throat specialist, was being held by the Saitama Prefectural police May 24. Takahashi was arrested on May 8 and held for questioning after his wife, a physician attending her and his family developed symptions of typhoid fever. Two members of the doctor's family died.

Four Japanese Women Will Attend Pan-Pacific Meet

Four Japanese feminist leaders will represent their country at the Fourth Pacific Women's Conference which will be held in Vancouver for 11 days beginning July 12. They are: Mrs. Tsuneko Gauntlett, president of the Japan Branch of the Pan-Pacific Women's Association, who is already in the United States; Mrs. Taku Komai, head of the Kyoto Branch of the Woman's Section of the International Association of Japan; Mrs. Masao Matsuoka, wife of the former president of the now defunct, liberal *Jiji Shimpo*, a Tokyo daily, and Miss Yoko Matsuoka, now studying in the United States. Mrs. Komai and Mrs. Matsuoka will sail for Vancouver on June 29 on the m.v. *Heian Maru*.

"If Japan's Honor Is Impaired, She Will Go to War," Says Foreign Minister Sato

If Japan's honor and prestige are ever impaired, she will have no alternative but to go to war, Foreign Minister Naotake Sato told the Tokyo Free Trade Association, in Tokyo May 24. The first aim of diplomacy, Mr. Sato declared, is to avoid war, "which benefits nobody, harms all the combatants." "However, if at any time Japan is confronted with an emergency situation, which impairs her honor and authority, we must resolutely go to war. No one can say, that in such circumstances I should oppose armed action. "Until, and unless, such an emergency comes, I shall tread the beaten paths of diplomacy," Mr. Sato emphasized.

One of the most important problems of the moment, the Foreign Minister continued, is "how to deal with the large annual increase in the nation's population." "The best way to solve this pressing issue, it is generally realized, is through expanding production, an energetic acquisition and exploitation of natural resources, and opening of foreign markets. "This program" he declared, "forms a solid foundation of peace and insures against war."

Nippon Yusen Kaisha Shore Officials Resign En Masse

Trouble again faces the Nippon Yusen Kaisha, Japan's largest shipping company, as a result of a mass resignation tendered by 32 high shore officials of the concern. The move is regarded as a direct sequel of the N.Y.K.'s action in relieving two directors of the concern, Kakusuke Urata and Tormosuke Asai, of their concurrent posts as chiefs of the Marine Affairs and the Engineering Departments respectively.

The two directors were believed by the company's management to have been involved in last February's strike of the N.Y.K.'s officers and engineers, avowedly in protest against the Company's failure to dress its ships while the Emperor was reviewing the Combined Fleet in the Osaka Bay.

Japanese Government to Sell Bonds to Small Investors

Alarmed by the falling demand for national bonds, high Government officials in Tokyo, May 22 revealed plans to seek legislation for issuing popular "savings debentures" of small denominations. The officials said they hoped to raise by this method between Yen 30,000,000 and Yen 100,000,000 annually. The annual issue of national bonds ranges between Yen 750,000,000 and Yen 950,000,000.

Kobe Shipowners Protest Imports of Foreign Bottoms

Bitter opposition to the purchase of foreign bottoms was voiced May 24 in a statement issued by the powerful Kobe Shipowners' Association. "Importation of foreign vessels," the statement declared, "is contrary to the adopted shipping policy, which aims at raising the standards of the Japanese merchant marine, and whose enforcement costs the nation so much money.

Japanese Firms Place Orders for Three Big Ships in Kobe

Unable to meet the demand for bottoms, two Kobe concerns May 23 placed orders for three 9,000-ton ships with major dockyards in said city.

Japanese Send Torpedo Flotilla to Swatow Following Affray

Three destroyers of the Japanese Fifth Torpedo Flotilla arrived in Swatow on the evening of May 24, under orders to stand-by for the protection of Japanese lives and property. The men-of-war were ordered to the Kwangtung port by Rear-Admiral Masakichi Okuma, Commander of the Squadron, on receipt of a report regarding the alleged manhandling of a Japanese Consular policeman by the Chinese police on Saturday. The Japanese consular authorities there took a "grave view" of the incident, which they described as a "deliberate affront to Japan." A protest was filed with the provincial authorities by Toyoichi Nakamura, Consul-General. The Japanese policeman, Kiyoshi Aoyama, was "forcibly detained and handcuffed for half a day," according to reports.

The incident arose when a Japanese official, who attempted to move his house in Swatow from one part of the city to another, was stopped by the Chinese policemen. After a thorough search of the man's belongings, the Chinese policemen demanded production of the permits issued by the Chinese authorities for removing belongings to another location. When the Japanese failed to produce the permit, the Chinese policemen arrested the official and detained him in the Chinese police station.

The *Tokyo Asahi* said the basic trouble at Swatow was smuggling, mostly by Koreans who abused Japanese protection.

Nanking Journal Urges Commencement of "Anti-Traitor Movements"

That the commencement of the resistance compaign against Japan must be preceded by the elimination of traitors in China was urged by the Nanking *Hsin Min Pao* in a leading editorial on May 20. The journal commented: "We have heard much about the resistance against Japan, and even the Japanese themselves have now been inured to such a term. In his speech delivered at a meeting in Tokyo yesterday, Mr. Sato, Japanese Minister of Foreign Affairs, declared that 'resistance against Japan' has become a popular slogan in China, and that the Central Government has utilized this spirit of nationalism to consolidate its position. We think what Mr. Sato has said is true, and it is no use for us to make any denial regarding this point. However, we must say that 'resistance against Japan' is not only a slogan but has also been proved as a real fact. The resistance wars in Shanghai, along the Great Wall and in Eastern Suiyuan were ample proofs. It is a pity, nevertheless, that, despite the blood shed by our national heroes, such humiliating agreements as the Shanghai and Tangku truce should have been signed.

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Everything Has a Value in China

BY CARL CROW

(*In "Harper's Bazaar"*)

A CHINESE friend of mine who had recently visited Dairen was much impressed with the evident prosperity he had witnessed. The people of Dairen, he said, were so prosperous that the streets of the city were littered with cigarette butts and no one bothered to pick them up.

There are no cigarette butts littering the pavements of the purely Chinese sections of Shanghai. This flotsam of the pavement is observed by keen-eyed old men who, with a prong on the end of a stick, pick up the commercially valuable butts and deposit them in a can.

During the Japanese war on Shanghai in 1933 the streets were deserted except for the presence of Japanese troops. The one branch of municipal service which was at all times in the greatest danger, but which continued to operate during the entire war, was the street cleaning department. The coolies who swept the streets of Hongkew were ordered to come in for duty in a safer part of the settlement, but they ignored the order, or pretended they had never received it, and stuck to their old post. A good part of the time they remained hidden in comparatively safe places, but when there was a lull in the Japanese shooting, and it appeared to be safe to do so, they swarmed out with their brooms and baskets to salvage the rich harvest of empty brass shells and other abandoned articles of modern warfare. This was probably the only opportunity they had ever had to sweep off the streets anything of the least possible value. Ordinarily early risers give the streets a pretty thorough going over and pick up the more important scraps of paper before the street cleaners start to work. Here they had a rich field with no competition and they made the most of it.

The harbor of Shanghai is not only one of the most important and busiest but one of the cleanest in the world. The water is not the brilliant blue to be found in other more favored places; it is a murky yellow. However, on the surface of the water will be found none of the flotsam and jetsam of other harbors, no broken fruit crates, half-submerged gunny sacks, decayed oranges, and odds and ends of lumber floating about. All these things are valuable and they are rescued from the harbor by the salvage boats which ply about. Most tourists, in their ignorance, refer to these respectable craft as "beggar boats" or "scavenger boats." These derisory terms are both inaccurate and unjust. In their limited way, the work done by these Shanghai salvagers is just as reputable as that done by bigger concerns with steam tugs, stockholders, and boards of directors. The difference is only one of size and the importance of the undertakings. They are modest, both in equipment and personnel. The boat is flat-bottomed and small enough to be navigated by a single pail of oars. The crew invariably consists of the skipper, who is also the owner, his wife, and such children as are too young to be usefully employed ashore. The energies of the entire family are devoted to the rescue of wrecks from the sea.

Sea Gulls Find Nothing in Shanghai

It is because they do their work so thoroughly that there are no sea gulls in Shanghai. These useful scavengers thrive on the thrifty coasts of Scotland, but they would starve to death here. There is a fanciful story to the effect that migrating gulls occasionally call at Shanghai but always hurry away to warn the confraternity that no matter how short the rations may be, the members had better stay where they are, for here there are no rations at all.

As soon as a big merchantman or gunboat drops anchor in Shanghai, one or more of the little salvage boats anchors in a strategic position to catch everything that comes from the garbage chute. It is customary in the British and American navies to delay clearing the galleys for a day or so before arriving in Shanghai.

When one of these richly laden gunboats steams into port, the salvage boats come swarming about just as the Arab pirates of the Barbary Coast came around the clipper ships a century ago. Each skipper does his best to get there first; there is foul and abusive language, and a lot of unfair and reckless seamanship.

From the time the gunboat arrives in Shanghai until it leaves, it is always surrounded by these small salvage boats. Nothing escapes them. The bottles and cans are readily marketable and the food will fatten pigs and chickens. Everything in China has some intrinsic value and can be turned into cash.

Every foreign household provides a rich supply of salvage which is the perquisite of the house coolie. He always sees to it that nothing that is by any possibility useful or saleable ever escapes him. The garbage coolies who push their carts round Shanghai and collect the refuse from the households have a melancholy occupation, not because of its humbleness, but because of its humdrum lack of opportunity.

When I say that everything in China has some value, that statement is a little more comprehensive than one might think, for it includes counterfeit coins. Twenty years ago, before the coinage of silver dollars became uniform through the operation of a central mint, there were quite a number of provincial mints operating and, in addition to the coins they produced, a great many Mexican and a few old Spanish dollars were in circulation. As directors of the various provincial mints had different ideas as to what should constitute the proper weight and fineness of a dollar, and also changed their minds from time to time, we had dollars of many different values. In any transaction involving the payment or the collection of a quantity of dollars, it was necessary to specify which dollars were to be used, or to come to an agreement as to the relative value of the different kinds of coins. Travelers usually carried a confusing assortment of dollars about with them; the Chinese Government Railways had posted in most of its principal stations an official list setting forth the discount at which various provincial dollars would be accepted. At the bottom of the list there was a line reading:

"Counterfeit coins accepted at market rate."

Old Chinese Coins Only Worth Metal in Them

Of course the reason for this lenient attitude on the subject of counterfeit coinage was found in the fact that Chinese coins were never worth any more than the metal they contained.

If I were living in England or America, there is a pet charity I would promote. Instead of throwing my daily paper away after having read it, I should fold it up carefully, stack it with its fellows and induce may friends to do the same thing until we had most of the town following our example. Then everyone had a six months' supply of newspapers, we should collect them at some central depot and have them baled and shipped to China to be sold for the benefit of Chinese famine relief. There are famines in China at all times, some are big famines and some are not so big. So this is a charity which needs perennial support. Of course, if everyone saved his newspapers and contributed them to this worthy cause, the chances are that the Chinese market would be glutted, the market price for second-hand newsprint would drop severely, and the cash return for the benefit of the famine suffers would be very small after the packing and carriage charges had been deducted. But if the normal market price could be maintained, a contribution of the old newspapers of the United Kingdom would feed starving China during a small famine year and go far toward feeding it during a big one.

Although the lads who work in the retail shops on an apprentice basis seldom receive any fixed wages, that does not mean that they have no spending money. This in some shops may be quite liberal. By very old and inalienable custom, everything which comes into a shop except the stock itself constitutes salvage belonging to the assistants. This includes all cases, barrels, crates, and other packing material, samples of merchendise, and all advertising matter. Packing cases provide the richest prizes. The nails are carefully removed and sold.

Collection of Tax on Duty-Free Goods Suspended for Another Year

Collection of the 0.15 per cent tax on duty-free goods in Shanghai, which forms part of the dues for the maintenance of the Whangpoo Conservancy Board, will be suspended for another year, according to an order issued by the Ministry of Finance to the Shanghai Customs House and the Whangpoo Conservancy Board. The funds of the Board, it will be recalled, are derived from a 3 per cent surtax on the Shanghai Customs gross receipts, a 0.15 per cent tax on duty-free goods, and 0.045 per cent tax on treasure. Till 1931 the collection was based on the old Customs Tariff but from April 1931 the tax was collected on the revised tariff so as to provide funds for dredging the Yangtsze Bar.

De-Luxe Edition of "Sian: A Coup d'Etat" Now on Sale

The de luxe edition of "Sian: A Coup d'Etat," which comprises a vivid account by Madame Chiang Kai-shek of her thrilling activities during the fateful days when the Generalissimo was under detention in Sian, and extracts from the diary that the Generalissimo kept during that anxious period, was put on sale this week by the China Publishing Company, 160 Ave. Edw. VII. The book is printed on specially prepared Chinese paper made by hand from bamboo fibre and is bound in Chinese silk with a brocade back. The cover bears, beneath the title in English, Chinese characters in gold written by the Generalissimo. Many of the Generalissimo's bodyguards were killed during the troubles at Sian, and the entire profits derived from the sale of the book will be devoted to the support and education of the orphans and the relief of the widows. A comprehensive review of the book appears elsewhere in this issue of *The Review*.

Manchukuo Bandits Attack Korean Town and Carry Off 20 Residents

Crossing the Yalu river into Korean territory, a strong bandit force, from Manchuria armed with machine guns, on the night of May 21 attacked and pillaged the border town of Hotaili. When the outlaws left the town, shortly after 10 o'clock at night, they carried away with them 20 residents. The police force of the town consisting of 45 men, reinforced by Japanese soldiers, tried to envelop the bandits, who, however, managed to slip out of the ring. Japanese messages clam that about 40 of the outlaws were killed and wounded in the brief skirmish with the town's defenders.

Reich-Manchukuo Trade Pact Extended Three Years

Extending for three years the existing German-Manchukuo trade agreement, a protocol was signed in Berlin on May 21, the Hsinking Government announced on said date. The accord was to expire on May 31. Hiyoshi Kato, Manchukuo Trade Commissioner in Berlin, and Herr H.C.H. Walter, of the German Foreign Currency Control Office, officiated. Provision has been made for the introduction of amendments in the application of the pact.

Four Soviet Troopers Held Near Heiho

Assisted by Japanese military authorities, Manchukuo officials at Heiho May 21 began questioning four Soviet troopers seized by border guards as they attempted to land on Manchurian territory after crossing the Amur river in a 20-ton motorboat at about 5 o'clock the previous afternoon. Meantime, another report from the eastern border of Manchukuo fringing the Ussuri River, said that a raiding party of 10 Soviet cavalrymen was repulsed by Manchukuo forces shortly before noon on May 19 after a brief skirmish. The Soviet soldiers, the report said, had crossed into Manchukuo near Border Post No. 12.

Big Barracks Completed for Manchukuo Troops in Changpei

Barracks [illegible] of accommodating 10,000 men have been completed in Changpei, Chahar. These barracks are now occupied by the troops commanded by Gen. Li Shou-hsin. Prince Teh, commander of the Mongolian forces, has enlisted 1,500 men recently. These people are being organized into regular Mongolian troops at Paochang, a Wanchien message to the *Ta Mie Wan Pao*, May 24 stated.

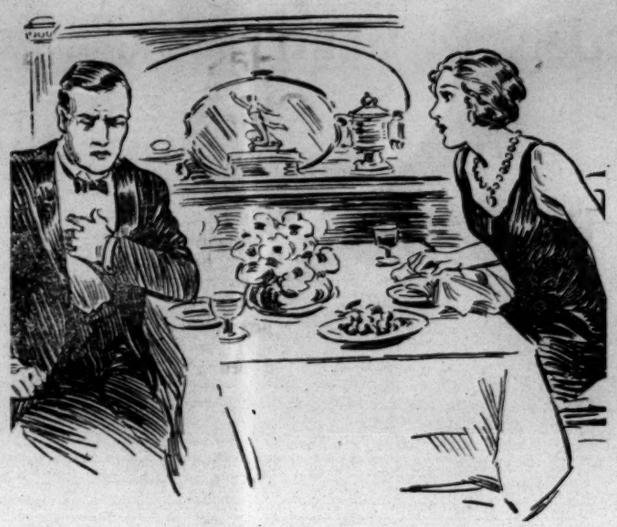
S. M. R. President Admits Prospects for Five-Year Plan Not So Rosy

Yosuke Matsuoka, president of the Manchuria Railway Company, who had been visiting in Tokyo after attending the first year memorial service for his late mother, arrived back in Dairen on May 16. Interviewed by the *Manchuria Daily News*, Mr. Matsuoka said that while staying in Tokyo, he was asked various questions about the five-year industrial plan of Manchukuo, and on these occasions he tried to explain the need of obtaining personal, material and financial assistance from Japan Proper in the interest of the five-year plan. Continuing, Mr. Matsuoka said:—"But, even Japan Proper is now suffering from lack of man power and supplies of materials, and I do not know yet how Manchukuo's five-year plan will work out in this respect. Regarding the report that a powerful syndicate is now being organized in order to coordinate Japanese investments in Manchukuo, I have no personal knowledge about the truth of the report. So far as the Manchuria Railway syndicate is concerned, however, I have explained the financial conditions of our company to those interested to reassure them regarding our future. If the stable financial conditions of our company are made known clearly, I do not think there will be any difficulty in obtaining necessary assistance and financing for our works in the future provided that financial circles in Japan Proper will have regained normalcy. Flotation of company debentures will, however, still involve a certain amount of difficulty pending further improvements in the Japanese debenture market. As for the future of the political situation in Japan, nobody will be able to make any forecast."

Cartoon Competition to Feature June 3 Celebration of Earliest Anti-Opium Action

In order to arouse the people to the danger of the opium evil, the General Association of Opium Suppression Commissions has instructed the newspapers throughout China to prepare and publish anti-opium cartoons on June 3, the 98th anniversary of the confiscation and destruction of the historic cargo of opium imported into China in 1839 by British traders at Canton. This incident inaugurated the anti-opium campaign under Viceroy Lin Tse-hsu, the Imperial High Commissioner.

The newspapers are invited to send copies of their cartoons to the Association before June 17. Prizes will be offered for the best cartoons as follows: 1st prize $300, 2nd prize $200, 3rd prize $100, 4th prize $80, 5th prize $70, 6th prize $60, 7th prize $50, 8th prize $40, 9th prize $30, and 10th prize $20. The results will be announced on July 10.



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Japan's Southward Thrust in the Philippines, Malaya, Siam and French Indo-China

BY WILLIAM HENRY CHAMBERLIN*

(*In "The Spectator," London*)

THE old saying about the westward course of empire seems to hold good for Japan, which has directed its most conspicuous efforts for expansion toward the neighboring Asiatic mainland, toward Korea, Manchuria and North China. But along with this primary westward trend there is a secondary southward trend which is often advocated in Japanese journals and which is dictated by cogent economic considerations.

The so-called South Seas countries, British India, Ceylon, the Dutch East Indies, Australia, New Zealand, the Philippines, Malaya and Siam, represent an important and growing market for Japan's manufactured goods, and are a storehouse of minerals, raw materials and tropical foodstuffs which Japan needs and cannot obtain in Manchukuo and North China. Cotton and wood, iron and gold, rubber and tin, oil, hemp and copra are only the main items in a long list of products which are obtained from India and from the countries of the South Pacific.

Exports Welcome

With the exception of Australia and New Zealand, all these countries are poor. The cheap Japanese textiles, bicycles, rubber goods and miscellaneous exports have found ready buyers among the natives. The share of Japan's foreign trade carried on with the South Seas countries increased from 18.7 per cent in 1929 to 28.4 per cent in 1934.

Formosa is an excellent point of vantage from which to survey the Island Empire's "southward advance," to employ a phrase which is very popular with Japanese naval and commercial publicists. It is noteworthy that, while the Army is primarily interested in Manchukuo and secondarily in North China, Naval spokesmen like to emphasize the rich commercial possibilities of south-eastern Asia and the adjoining islands. So last year Admiral Sankichi Takahashi, Commander of the Japanese Combined Fleet, told an audience of Osaka businessmen that "Japan's economic advance must be directed southward, with either Formosa or the South Sea mandated islands as a foothold. In this case the cruising radius of the Japanese Navy must be expanded suddenly as far as New Guinea, Borneo and Celebes."

Formosa performs a double function. It is a natural base for trade with the South Seas, and Japanese freighters bound for such varied destinations as Hongkong, Singapore, Manila, Davao (center of Japanese trade and industry in the Philippines), Bangkok and Melbourne may be seen at anchor in the two chief Formosan ports, Keelung and Takao. The Formosans themselves, the great majority of whom originally came from the neighboring Chinese coastal province of Fukien, are a natural trade link with South China, and there is a constant movement of emigrants, traders and smugglers between Formosa and the Chinese ports of Foochow and Amoy.

Formosan Development

This rich, semi-tropical island is a very important field of Japanese trade and investment in its own right. In an age of highly nationalistic economics it is an important advantage for Japan to be able to satisfy its sugar requirements entirely from Formosa; the total Japanese investment in Formosan sugar companies is at least 250,000,000 yen (almost £14,000,000 at present rates of exchange). In general, Formosa's economy fits very neatly into that of Japan Proper. Besides sugar, demand for which has increased because of plans for extracting alcohol from sugar, with a view to promoting self-sufficiency in liquid fuel, Japan obtains from Formosa bananas, pineapples, citrus fruits and other non-competitive products, together with tea and camphor.

During the forty years of Japaese rule the agricultural possibilities of Formosa have been pretty thoroughly exploited. There is now a turn toward industrial development, with the construction of aluminum, hemp, paper and other factories; and the enlargement of a large hydro-electric power project, located on Lake Candidius, seems designed to provide motive power for further industrial expansion.

A new corporation, capitalized at 30,000,000 yen, half of which is subscribed by the Formsan Government, mainly in the form of public lands, and half by private investors, has just been established with a view to stimulating further economic activity in the island. The corporation has five declared objectives; reclamation of land, building up of agricultural and forestry enterprises which will supply materials in which Japan is lacking: settlement of groups of Japanese immigrant farmers; financing of other colonization work and management of industries in other South Seas countries. A similar corporation, capitalized at 20,000,000 yen, has been set up in the mandated South Sea islands.

My visit to Formosa was a concluding stage in a trip to a number of South Pacific countries, including the Philippines, Malaya, Siam and French Indo-China. Everywhere, except in the latter country, where a strict protectionist policy prevails, Japan's "southward advance," in the economic field, was very visible.

Davao's Importance

Japanese penetration of the Philippines is especially significant, because this rich archipelago is very close to Formosa and because the present transitional Commonwealth regime in 1946 will become an entirely independent government, severing its ties with the United States. Japanese policy toward the Philippines at the present time is discreet and circumspect, avoiding pinpricks and "incidents." But the possibilities of Japanese economic enterprise are vividly exemplified in the Davao district of southern Mindinao (the second largest island of the group), where about 14,000 of the 20,000 Japanese residents of the Philippines are to be found. Davao itself looks like a Japanese town, with Japanese signs on the streets, special Japanese schools and hospitals, and Japanese shipping predominating in ths harbor. Japanese small holders and big plantation owners have shown great energy and efficiency in clearing jungle land and putting about 150,000 acres under cultivation, mainly with hemp, with coconut palms as a secondary crop.

Japanese textiles are coming into the Philippines at the rate of five yards to every two of American, despite the preferential treatment which American goods receive in the Philippine market. Another Japanese interest in the Philippines is the mineral wealth of the islands. Japanese firms are eager buyers of iron manganese and chromium, the latter mineral being especially useful for the manufacture of armor plate for battleships. A much greater expansion of Japanese economic and perhaps political influence in the Philipines seems inavitable if the Philippines, as present arrangements provide, lose all preferential status in the rich American market when their independence is granted.

Japanese economic expansion in Malaya provoked the following sharp comment in the Straits Times, a leading Singapore newspaper, recently:

"Within a very few years the whole of the trade and banking of this Colony will be dominated by the Japanese if effective preventive measures are not taken promptly."

One such "preventive measure" has been in effect since 1934: a quota limitation on Japanese textiles which had been very sweepingly underselling British textiles in Malaya. Japanese shipping companies have obtained a large share (which some observers estimate as high as 40 per cent) of the carrying trade in rubber between Singapore and the United States and Japanese firms are playing an increasingly important role as middlemen in the tin trade. Japan also obtains a substantial portion of its iron imports from concessions in two of the Malay States, Tregannu and Johore. Japanese expansion in Siam finds its reflection in a large increase of exports, in the placing of orders for warships in Japan, and in the employment of a Japanese expert in drawing up plans for large-scale cultivation of cotton.

In economics, as in other fields, there is a marked similarity of outlook between Japan and Germany. Japan chafes under the quota restrictions which diminish its buying power by restricting its sales, and is inclined to attribute the embarrassing shortages of raw materials which it sometimes faces (pig iron has been abnormally scarce in recent months) to the lack of adequate supplies of raw material within its own monetary frontier. These considerations, given favorable political circumstances, might well lend to Japan's "southward expansion" a more dynamic and less purely peaceful and commercial character than it has so far assumed.

Chief Far Eastern Correspondent of "The Christian Science Monitor," with headquarters in Tokyo. Represented said paper for many years in Soviet Russia.

Leaders of National Salvation Association Have Not Been Released

Reports to the effect that the seven leaders of the National Salvation Association arrested some months ago in Shanghai and detained in the Soochow prison had been released were denied by responsible authorities May 21. The erroneous reports were that Shen Chuan-yu would be appointed member of the Control Yuan, Messrs. Chang Lai-chi, Chow Tao-feng and Wang Chai-shih would go abroad on an investigation tour, while Messrs. Li Kung-pu and Sha Chien-li and Miss Shih Liang would visit various parts of China on an investigation tour. It is now stated that the seven arrested leaders of the National Salvation Association will be tried in the near future.

Soviet Plane Lands at North Pole—Line to San Francisco to Be Opened

The Soviet airplane "USSR-N-170," landed on an ice floe near the North Pole at 11.35 p.m. May 21. It took off from Rudolph Island at 5.0 a.m. on said dates piloted by the famous Soviet pilot Vodopyanov, Besides Academician Schmidt and the crew, the plane carried the chief of the wintering camp, Ivan Papanin, radio operator Krengel, hydro-biologist Shirshow and magnetologist Fedorov. The last four will stay on the drifting ice-floe one year to engage in scientific observations.

The winterers will live in a folding house, resembling in shape a small hangar with a cupola-like roof. Its length is 3.7 m., width, 2.7m., and height 2 m. Due to its black outer coloring, the house will be visible from afar. Besides, the black color will absorb solar rays during the Arctic day, thus aiding to keep the houses warm. This is extremely important, since the winterers have a very limited supply of fuel: they will not be able to use more than 1½ litres of fuel a day to prepare their meals.

The light framework of the house, made of duraluminium pipes, is covered with rubber cloth, on top of which are placed large inflated rubber-cloth cushions. These are covered with another layer of tarpaulin and deer-skins, followed by two layers of silk eider-down quilts, all being encased in thick tarpaulin soaked in a chemical substance preventing the cloth from decaying. Tarpaulin and 15 cm. thick inflated cushions spread on it will form the floor of this original dwelling. The windows are made of unbreakable transparent plastic mass prepared by special order. This is a novelty of Soviet technique. A corner of the house will serve as a kitchen, where a kerosene cooker will be installed. Fuel is kept in 60 rubber bags, which take the place of the usual heavy receptacles, such as barrels and cans. Each bag can hold 48 litres of kerosene.

The participants of the expedition intend to organize an extensive study of the flora and fauna in the central part of the Arctic Ocean. They will take tests of water from various depths and will study the microorganisms of the Arctic basin.

The astronomic observations will be conducted solely with the purpose of ascertaining the location of the drifting camp. The coordinates will be determined with possible mistake not exceeding 500 m. During the Arctic starry nights the coordinates will be determined with mistake not exceeding 200 m.

All instruments of the expedition have been specially designed and built in the workshops of the All-Union Arctic Institute. They are very light and are adapted to severe conditions, under which the winterers will have to work.

It is difficult to foresee the direction in which the ice-floe with the group of winterers will drift. Academician O. L. Schmidt presumes that most likely it will drift towards America, while the hydro-biologist Shirshow considers it possible for the ice-floe to be caught in the circuit drift which evidently exists in the central part of the Arctic Basin.

Good wireless communication will ensure unintermittent information of the life and work of the courageous Arctic explorers. The camp will keep in touch with Rudolph Island, while the radio station on this island will maintain a day and night watch for the signals from the ice-floe.

The establishment of an air-line from Moscow to San Francisco via the North Pole, which is one of the most ambitious schemes in Soviet Russia's third five-year plan, has been brought a step nearer by the successful flight over the North Pole accomplished by the Soviet air expedition.

Japanese Claim to Have Built Plane Capable of Circumnavigating the Earth

Claimed by its builders to be capable of circumnavigating the world with only three stops, the giant long-distance plane of the Tokyo Imperial University completed its gliding tests this week. Its builders claim that the plane can cruise 16,000 klms. non-stop in 80 hours, using 7,000 liters of gasoline.

Dai En-ki Resigns as Managing Director of C.N.A.C. —Lin Wei-cheng Succeeds

After several years of excellent service, Dai En-ki, Managing Director of the China National Aviation Corporation, has resigned his post. Having accepted Mr. Dai's resignation, the Ministry of Communications is learned to have appointed Lin Wei-cheng, member of the China Aviation League, as Mr. Dai's successor. Mr. Lin is a graduate of an aviation school in the United States as well as a graduate of the Military Aviation School in Soviet Russia.

French Fliers Crash in Japan—Fail to Reach Tokyo in 100 Hours

Another French attempt to establish a new record for a Paris to Tokyo flight ended in disaster near Kochi, Japan, May 26. The accident occurred as the intrepid Paris-to-Tokyo fliers were only 150 miles from their goal. They took off from Le Bourget Airdrome, Paris, at 6.06 o'clock (Paris time) on the morning of May 22. They had hoped to reach Tokyo in 100 hours. Even without the accident they would not have reached Tokyo within the allotted time.

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Can Japan Survive?

This pamphlet of a dozen pages embraces a series of articles dealing with Japan's present problems, which were written by Nugent Rugge and published in *The Review* in March and April of this year.

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Shanghai, May 26, 1937

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Smuggling, Forgery and Political Intrigue in South China

BY THE REVIEW'S FOOCHOW CORRESPONDENT

Sugar, marine products, groceries, piecegoods, etc., have lately been smuggled, in great quantities, into Foochow and Amoy, and thence transported to other districts of Fukien. As the smuggled goods consist mostly of silk and cotton goods, the following is confined to a discussion of the situation of piecegoods-smuggling.

Compromising Attitude of Customs Officers

As a consequence of rough handling of customs officers by ronins, the customs authorities here negotiated with the consul of the certain country and secured a modus vivendi by which the number of seamen in each maru that comes to Foochow, is restricted to eighteen and each seaman is permitted to bring with him four large bundles of silk goods (each bundle comprising 30 pieces). According to customs regulations, the duty levied on every twenty-five yards of artificial silk is $4.80 but the aforesaid seamen only pay the socalled luggage duty of $1.50 for every 25 yards of artificial silk. The monthly entry of marus and other merchantmen into Foochow exceeds ten. The loss to national revenue is naturally great. Worse still, in coastal regions many sampans (with huge quantities of smuggled goods) escorted by warships of the certain country have landed.

Chinese Brokers as Distributors of Smuggled Goods

The smuggled silk and cotton goods are distributed by Chinese brokers to various salesmen. The most notorious brokers are Cheng Chung-fang, Shih Chin-yin, and "Big Nose" Chow Fang. It is said that through these agents, dealers in North Fukien every month buy several hundred thousand dollars worth of smuggled artificial silk.

There are many smuggling organizations. In the city there is a large one situated at 129 Hsia Nan Road.

Hangchow Silks Producers Greatly Concerned

The silks producers in Hangchow are greatly alarmed by the serious smuggling situation in Foochow. In their message to Foochow silk merchants, Hangchow producers strongly advise Foochow merchants not to sell smuggled silks. A report states that since the first month of this year, Foochow silk merchants have scarcely ordered any Hangchow goods.

Some Patriotic Merchants

Some patriotic dealers in piecegoods urge that the sale of smuggled silk goods, as well as cotton goods should be prohibited. They pledge themselves not to sell smuggled goods; they ask their fellow merchants to dispose of the smuggled goods in stock as quickly as possible, and not to buy any more.

Forgery of Provincial Bank Notes, Bank-of-China Notes

On May 5, at 1 o'clock p.m. a few gendarmes in Chuanchow discovered that the I Hwa Printing Company, near the South Gate, was a place for forging banknotes. They raided the shop, seized a large quantity of forged banknotes, arrested two persons, Liang I-tin, manager, and Lin Liang, proprietor. A revolver and several forged banknotes were found in the house of a person connected with the company.

A close examination of the case discloses that Liang I-ting was once an overseas Chinese merchant in Formosa and that banknotes were for financing political activities in South Fukien. The printing was done by ronins in the dead of the night. This explains why not a single ronin was caught by gendarmes.

Copper Coins Smuggled Out of Fukien

Certain nationals in Fukien devise different ways to collect copper coins and smuggle them out. They have many pedestrians sell in South Fukien cheap candies for coppers only.

Encroachment of South China

According to prominent Foochow and Amoy newspapers, schemes for encroaching South Fukien are being pushed with swiftness and precision by certain nationals. The centers of their activities are Chuanchow and Huian.

They bribe certain feeble-minded Chinese to spy into military secrets. In Amoy there was a self-styled young aviator who pretended to be a personal representative of Nanking high military leader. He secured access to the offices of military leaders in Amoy, attempting to discover secrets. Fortunately, his own secret was discovered by Amoy gendarmes before he had found out the secrets of military leaders.

In Chuanchow, there is a large fishing company established by certain nationals. The avowed object is to develop fishing industry while its real object is to organize Chinese malcontents. The company is fully equipped with arms.

Fukien Merchants Oppose Business Tax

What with diminishing of purchasing power of the masses as a consequence of bandit raids, what with acuteness of unemployment of intellectuals (Fukienese positions in government organs are mostly replaced by other provincials), tradesmen in Fukien are in great straits; they can hardly make both ends meet. Amidst these circumstances, they naturally voice opposition to any increase of taxes. As for the Business Tax, their opposition is more an opposition to partiality of investigators and tax collectors than opposition to the tax itself.

At the end of April, merchants in Foochow held several conferences to discuss abatement of Business Tax (the collection scheduled on May 1), and appealed to the government for abatement. Their requests being ignored, they decided to hold a general strike on May Day. Through the good offices of Police Commissioner Li Chen-teh, the merchants consented not to strike on the condition that the tax authorities allow ten days of grace and that during the interval arrangements be made for abatement.

About a week passed without a definite arrangement reached concerning abatement. On May 14-15, most shops in Foochow went on strike. Through the mediation of Chen Chao-yin, Control Commissioner, the shops were opened in the evening of May 15.

On May 16, the government ordered (1) that the rate of taxation be reduced 10%; (2) that those shops that have paid Special Business Tax be exempted from the tax; (3) that the mistakes of previous business investigations be corrected if they are confirmed by definite evidence; (4) that pedlars be exempted from the tax.

Foochow Merchants' Complications With "Nan Fan Jih Pao"

In the evening edition of the *Nan Fang Jih Pao* (April 30), there appeared a statement to the effect that most Foochow merchants were not opposed to the tax but the capitalist Lo (referring to Lo Mien-hou, a Foochow millionaire) and the disgruntled politician Chen (referring to the former finance commissioner), who had ulterior motives, instigated a general strike so as to fish in troubled waters. The merchants, assuring that they had no ulterior motives, were indignant; they distributed handbills, discrediting the newspaper and denouncing its statement as a white lie.

Control Commissioner Chen's Speech

On May 18, Commissioner Chen made a speech on the question of Business Tax during Dr. Sun's Memorial Service. He began by alluding to Generalissimo Chiang's favorite saying, when the latter was engaged in Kiangsi bandit-suppression: "Bandit suppression can be affected partly by military means and mostly by political means." He went on to labor the necessity of having the people live happily and peacefully. He said that the people had the obligation to pay taxes but the money raised should be used to better the people's living conditions. Finally, he attributed the complications of the Business Tax to the ignorance of the people, as well as to the inexperience and carelessness of the persons engaged in collection of tax and investigation of business conditions.

Commissioner Chen views with great concern the actions of tax-collectors. Every day he despatches an officer to the Tax Bureau so that he might get first-hand information about the goings-on there.

Visit of Yang Liang-kung Control Yuan Member

Yang Liang-kung, member of Control Yuan, accompanied by several followers, is touring Fukien. Maybe there is a close connection between his visit and the Business Tax dispute.

Conference of Merchants at Amoy

Representatives of merchants from various parts of Fukien, such as Changchow, Chuanchow, Putien, etc., have flocked to Amoy. They contemplate holding a conference there. In view of government pressure, the meeting can hardly be held. They, however, attempt to meet in a place independent of government control.

Something Wrong with Business Investigations

Something must have gone wrong with business investigations. A small paper shop has to pay higher taxes than a large shop that deals in both paper and stationery. A petty tailor who previously paid a business tax of several dollars a year has now to pay forty dollars. A gold ornament shop in the South Street, which formerly piad several hundred dollars annually, has now to pay several thousand dollars. We know that the new rate of Business Tax is .3—.5% while the old rate is .2%.

Miserable Condition of the People

The government should indeed pay attention to the miserable condition of the people. It is said that in East Fukien, several soldiers once caught a bandit in great difficulty. They were so indignant with him that they cut open his abdomen. They wept when they found nothing in his stomach but dried grass. Some time ago, also in East Fukien, a number of soldiers raided a bandit den. They found only two dimes in the pocket of the so-called banditleader and nothing in the pockets of the other bandits.

May 21, 1937.

China Will Hold Elections July 20, 21 and 22

Chinese who have their citizenship duly registered will go to the polls on July 20, 21 and 22 this year in the first major election in the history of this country to pick the 1200 delegates for the National People's Congress to be held in the spacious new building in Nanking on November 12 for the important task of discussing and approving the constitution.

In calling attention to this fact, the *Shanghai Evening Post* of May 25 gave interesting details of the event. In all, 1700 persons will take part in the Congress. In addition to the 1200 elected delegates, the 260 members of the Central Executive Committee and Central Supervisory Committee of the Kuomintang will be ex-officio delegates. Two hundred and forty persons will also be present in the capacity of appointed delegates.

Candidates for the elections have already been chosen in many cities and provinces while in others, the preliminary elections have yet to be held. Work in Hopei, Chahar, Kwangsi and several other provinces is understood to be progressing slowly and it is doubtful if the elections may take place on time there.

Results of the elections will be pronounced before August 15 and the elected delegates should be notified of the election before that date, the National Government has ordered.

In order to avoid a possible delay of the Congress, the National Government has also ordered that all preliminary elections for the candidates to run for the major election this July be completed before the end of this month.

In addition to the study and approval of the constitution, which was last drafted by the Legislative Yuan after a prolonged deliberation on the basis of the first draft accomplished by Dr. John C. H. Wu, prominent jurist and member of the Legislative Yuan, the Congress will also set a date for the enforcement of the constitution.

The Congress was originally scheduled to be held on November 12, last year, but unavoidably postponed for a year because of the stupendous work involved in registration of citizens and the preliminary elections.

November 12 was picked as the date of the Congress because it marks the birth anniversary of the late Dr. Sun Yat-sen, founder of the Chinese republic.

Col. M. T. Tchou Describes Development of Model Villages

Col. M. Thomas Tchou, speaking before the British Universities Club in Shanghai May 21 said that after 4,000 years of civilization, every man has the right to have a decent roof over his head and a little sunshine and fresh air. He told of the birth of a dream twelve years ago when he was appalled by the miserable housing conditions of the great mass of poor Chinese here in Shanghai, and of how since that time the dream has been taking material shape in the form of model villages which are spreading throughout the country.

Colonel Tchou described the background of the model villages erected by Greater Shanghai. About two years ago he had a conference with the then Mayor Wu Te-chen, which resulted in $1,000,000 being appropriated for the purpose of building and financing four large villages comprising in all about 1,000 houses. These are in the vicinities of Dixwell Road, Chungshan Road, Markham Road, and the South City. The movement is spreading throughout China, such villages being born at Tsingtao, Canton, Hankow, Ichang and other places.

Col. Tchou now looks forward to his biggest project yet in housing schemes which is to create a garden city at Ichang situated on the slopes of a low hill about one mile below the city. He has recently returned from this gateway to Szechuen Province where, at the invitation of Lu Tso-fu, General Manager of the Ming Sung Industrial Company, he has been making investigations into the possibilities of building a model city for the 400 employees of the company. Moving spirits behind the project are also understood to be Messrs. Chang Shu-ling and Cheng Pi-chen, the company's managers in Shanghai.

American University Club Holds Spring Prom

With the good old college spirit predominating, the American University Club held its Spring Prom on the evening of May 31 at the French Club. American University graduates and their friends thronged the ballroom to a total of 835 turning the room into a hilarious and enjoyable bedlam as the evening wore on. The affair began at 8 o'clock as people began assembling for the cocktail hour. During the dinner college songs were sung, in connection with phonograph records specially imported for the occasion. Finally the dancing, on a particularly crowded floor to the music of an enlarged French Club orchestra, was broken by skits put on by the grads themselves.

The larger delegations from the colleges had erected booths of their own, among which were numbered Pennsylvania, Massachussetts Institute of Technology, Stanford, Illinois, Harvard, Columbia, Princeton, Lehigh, Michigan, Purdue, California, Chicago, George Washington, Southern California, Rochester, New York University, Cornell, Yale, Wisconsin and Annapolis.

In the United States Court for China

IN THE MATTER OF EDOUARDO FRANCISCO PALMA, BANKRUPT. IN BANKRUPTCY.

Cause No. 4118
Special Proceedings No. 1997
NOTICE
Filed at Shanghai, China, The 17th day of September.
William T. Collins, Clerk.

NOTICE OF FIRST MEETING OF CREDITORS

To the creditors of Edouardo Francisco Palma, of Shanghai, China, a bankrupt:

Notice is hereby given that on the 17th day of September, 1936, the said Edouardo Francisco Palma was duly adjudicated bankrupt; and that the first meeting of his creditors will be held in the United States Court for China, at Shanghai, China, on the 21st day of June, 1937, at 2 P.M. o'clock in the afternoon, at which time the said creditors may attend, prove their claims, appoint a trustee, examine the bankrupt, and transact such other business as properly come before said meeting.

May 14, 1937.

MILTON J. HELMICK
Judge.

In the United States Court for China

In re.
LAST WILL AND TESTAMENT
of
MILTON D. PURDY
Deceased.

Cause No. 4177
Special Proceedings No. 2056
NOTICE
Filed at Shanghai, China May 14, 1937.
WILLIAM T. COLLINS, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Milton D. Purdy, deceased, to present the same with vouchers to the undersigned on or before November 22, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Dr. Geo. Sellett,
Hamilton House, Shanghai, China.

Shanghai, China.

The Far-Eastern Crisis—Some Comments on Henry L. Stimson's Book

BY CHEN PIN HO

(*Continued from last week*)

V. China's Alleged "Anti-Foreign" Movements

With a sense of fairness, Mr. Stimson lays the blame and responsibility for China's "anti-foreign" movements at the point of the bayonet. However, he made a mistake in inadvertently capping China's national and racial movements of the present day with the word "anti-foreign." It would be an even graver error to describe the Chinese people as imbued with an absolute anti-foreign spirit. There has never been but one anti-foreign movement debitable to the Chinese—the Boxer Uprising. The Boxer Uprising was a movement of revenge, of destruction, with no organization and incapable of positive actions. Made a tool of by certain sections of the Manchu Court, these "boxers" expressed their not unprovoked hatred with an impetusoity leading to what regretable results is a matter of history. If any movement of the Chinese people could be described as anti-foreign, it is this and this alone. Thence on, Chinese national movements have entered upon a new stage. If the Chinese people had any hatred or bore any grudge against outsiders, it is only against those who persistently oppress them, who conscientiously aggress against them, who perpetrate murders and incendiarism on their own soil. Mr. Stimson and readers of his book may rest assured that the Chinese people harbour no malice against "foreign" nationals who are willing to carry on international relations with China on a friendly basis, not excepting the Japanese people at large.

VI. The Prevention of War

Mr. Stimson's prognostinications of the shape of possible future wars are based upon the practical experience of a statesman and differ from the forescast of men like Wells, who usually bring their literary art and imagination into full play. Yet Mr. Stimson's discussion on the question of war prevention seems to us to require further elucidation. He says on p. 241 :

> "We . . . realized that in the interconnected and industrialized world of today war has become immeasurably more destructive and likely to spread than in former ages, and that, unless it is controlled, our civilization will be in real peril."

We are sure we all share the same sentiment. But how can war be "effectively controlled?" Mr. Stimson thinks it can be effectively controlled "only by the co-operative action of all the nations." (p. 241).

He continues to explain in an earnest tone :

> "We also recognized that if war come no nation, however powerful and isolated, could be immune from economic damage or from the possibility of actual involvement." (ibid).

What we want and want badly to know is, not whether co-operative action should be taken by all nations, but whether co-operative action could and would be taken by all nations. For it is greatly to be feared that any co-operative measure taken by all nations would only lead to a greater imminent danger of a war breaking out and its more thorough subsequent destructiveness. Do not the signs of the present international atmosphere point to such a danger? Are not nations of the world already divided into two distinct camps—the fascist aggressive camp on the one side, intent on the redistribution of colonies and markets and the mild camp on the other, desiring nothing more than the maintaining of the status quo? In the presence of this uncompromising cleavage, the League of Nations covenant, armament limitation treaties, naval conference treaties and similar treaties or pacts are but so many scraps of paper. Past experiences show that following each conference of this nature, there has always been feverish preparations for increased armament driven on by a fear growing out of mutual distrust. In the world of today two opposing camps, as we have seen, are lined up, with conditions similar to those on the eve of the last world war, only with much more greatly heightened terror and suspense. Under circumstances like these, is co-operative action in any way possible?

VII. China Must Fight A War of Resistance

Mr. Stimson is apprehensive over the question of China resorting to armed resistance against Japan :

> ". . . I foresaw that Japan's purpose, in the long-distance view, might involve consequences to the whole world of the gravest character. If China should be deprived of her age-long peaceful weapon against an enemy—the boycott—she would ultimately be faced with one of the other of two alternatives : either to arm herself and become a military instead of a peaceful nation, or be thrown into total subservience to her more military neighbor, Japan. Either of these results would be fraught with ominous danger to the peace of the world and to the freedom of peaceful commerce for which we and Great Britain had been striving for many decades in the Far East." (p. 135).

That China used no armed resistance against militaristic aggressions was not entirely due to the comparative inferiority and insufficiency of her national armament, though that is not to be denied, but to the lack of a central force and leadership. If and when China should use armed resistance against Japan, the ensuing fight will not be of the same character as those wars for territorial acquisition, colony parcelment or market monopolies—wars so common in the history of the world, the participants of which are usually countries of considerable military prowess. These go to war, not out of inevitable necessity, but for additional amenities; they will count every cost, assess the military strength of their opponent and predetermine, so far as possible, every likely consequence before launching into the precipitate step. China neither desires nor is prepared to engage in a war of this character. If ever she should fight, it will be a struggle to the death for her territorial and sovereign integrity, for her very economic and political life, in short, her national existence itself. The case is analogous to the peaceful inmate in a house being surprised and attacked by an armed burglar : he has no time to choose the weapon, no leisure to weigh the consequences. His life is in imminent and immediate danger. He will just fight and fight desperately.

China is in the exact position of this burglarized man. Her only course for self-salvation lies in resistance—physical resistance. Boycott as a peaceful weapon has been found to be ineffective against armed aggressions. Face to face with greatest danger in the history of their country, the Chinese people have voiced a demand to mobilize the entire nation and devote the whole force of that mobilization to determined resistance against invasion. Who will blame them if, to meet the exigency of the moment, the most peace-loving nation should temporarily transform herself into a militaristic nation? Mr. Stimson recognizes the fact that there are only two alternatives open to China : either to arm herself or be thrown into total subservience to Japan; and the latter result is as much fraught with danger to the freedom of peaceful commerce with the United States and Great Britain as the former. There should, then, be no more apprehension over the possible danger of China arming herself than her being thrown into subservience to Japan. The four hundred fifty million Chinese people will arm themselves. Unless and until China shall be capable of protecting herself with armed force, world peace will be out of the question.

VIII. Genuine Peace

The attitude assumed by the western Powers and actions taken thereupon toward the Sino-Japanese situation was seldomly motivated by altruism but by selfish considerations of their own benefits. The attitude of Great Britain as described by Mr. Stimson is a good example :

> ". . . Great Britain, roused by this Japanese blow (the attack on Shnaghai) at the solar plexus of British interests on the Yangtze, was throwing into the co-operative efforts of the nations to curb Japan a spirit that had been absent before. The entire group of the nations organized in the League had taken over the conduct of the Manchurian affairs from the Council into the hands of the Assembly, and these nations thus organized had pledged themselves unanimously to the doctrine of not recognizing as valid the administrative changes which had taken place in Manchuria." (pp. 110-111)

Before Great Britain had concluded some sort of understanding or agreement with the United States in respect to the Far East, she would certainly not take action against Japan. On the contrary, she would make all possible concessions to Japan in the matter of the Sino-Japanese conflict in the hope of and with a view to Japan refraining from interesting herself with a design in India, Singapore, Hongkong and the Dominion of Canada. So far as "spheres interest" or "spheres of influence" as it is often erroneously called in China is concerned, Great Britain would rest satisfied so long as Japan did not interfere with her interest in the Yangtze Valley. Of course, when a highly militarized country aggresses a weaker state with armed force, any third party desiring to interfere in the cause of right and justice can only do so with effectiveness when that third party is also able to command a commensurate source of armament. Traditionally, the United States holds a more friendly policy towards China. Without losing sight of this policy, Mr. Stimson realized that to champion the cause of justice and humanity, to elect oneself into the role of an adjudicator and a referee, the only effective coures open is to make use of its material strength and supperior techniqu to arm China unconditionally, and at the same time to stand openly on China's side with the full backing of its armament force. In the contingency of such an occasion, it is fairly certain that the Soviets would be the more ready to stand out in the cause of humanity and justice. When the two great powers on either shore of the Pacific are prepared and willing to exert their utmost force in the maintenance of peace in the Far East, a big stride toward peace in the world would have been taken.

(*To be continued next week*)

Who's Who in China

Feng Yu-chen, journalist; born at Changshu, Kiangsu, 1905; graduate of Hangchow Christian College and the Central Institute for the Training of Political Workers; secretary of Nanking Special Party Headquarters and sectional chief of Political Department of the Nationalist Army, 1927; Chief of Publicity Department of the 10th Army Corps of the National'st Army, 1928; joined the *Central News Agency* the same year; sent to Shanghai to cover Japan's undeclared war in 1932; appointed chief of the News Department of the Nanking Head Office of the *Central News Agency* in 1932 and concurrently secretary of the Ministry of Justice; accompanied Dr. Lo Wen-kan, then Minister of Justice, on his investigation tour to Sinkiang, being first Chinese newspaperman to visit that border province; member of the Sinkiang Reconstruction Planning Committee under the Executive Yuan and chairman of the communications section of said committee; first Chinese newspaperman to cover the Far Eastern Olympiad held at Manila, May, 1934; commissioned by the *Central News Agency* to Nanchang, Chungking and Chengtu in 1934 and 1935 to supervise the establishment of branch offices there; first Chinese newspaperman to cover the 11th World Olympiad held at Berlin in 1936; after the Berlin meet toured Europe to investigate newspaper progress in Soviet Russia, England, France, Switzerland and Italy; author of "A Tour of Sinkiang" and other works; Manager of Shanghai Bureau of *Central News Agency* since February, 1937; present address: *Central News Agency*, Continental Emporium, Nanking Road, Shanghai.

馮有眞
Feng Yu-chen

馮有眞，江蘇常熟縣人，現年三十二歲，之江大學及中央政治工作人員養成所畢業，一九二七年任南京特別市黨部秘書，國民革命軍總政治部股長，一九二八年春任第十軍政治部宣傳科長，是年秋任中央通訊社記者，一九三二年一二八滬戰發生在前線充隨軍記者，五月任該社採訪部主任，一九三三年六月任司法行政部秘書，八月隨部長羅文幹赴新疆省觀察，爲我國新聞界赴該省之第一人，返京後著「新疆觀察記」並被聘任行政院新疆建設計劃委員會委員兼交通組召集人，一九三四年代表中央社赴馬尼拉採訪第十屆遠東運動大會新聞，爲我國新聞界參加國際運動會之第一人，是年十月赴南昌創辦中央社分社，一九三五年春又赴重慶成都創辦分社，一九三六年八月第十一屆世界運動大會在柏林舉行隨中國代表團前往採訪大會新聞，會畢赴蘇聯英法瑞士義大利等國攷察新聞事業，著有攷察記，一九三七年二月任中央社上海分社主任。

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Men and Events

Another tragedy occurred in Hongkong May 23, this time on the mainland, when six persons were killed and 10 others injured through the collapse of pile-driving machinery at Yaumati station.

Losses of cargo amounting to $800,000 was sustained as a result of the running aground of the s.s. *Hai Yuan* of the China Merchants' Steam Navigation Company which took place near Hongkong early this month.

Captain Thomas Jefferson Davis, Aide-de-Camp to General Douglas MacArthur of the Philippines, and Miss Nina Eristava of Mexico City, were married by Judge Milton Helmick in the United States Court for China May 25.

Nelson T. Johnson, the American Ambassador, departed from Nanking May 23 for Peiping by train to spend the summer. Sir Hughe Montgomery Knatchbull-Hugessen, the British Ambassador, left for the north the following morning.

H. E. Arnhold, ex-Chairman of the Municipal Council, was scheduled to leave Shanghai May 28, on board the German liner *Gneisenau* for a holiday in England. The Volunteer Corps provided a guard of honor from the Russian Regiment.

As a result of heavy rainfall in Shensi this week the railway bridge across the Wei Ho in the vicinity of Chihshui, south eastern Shensi, has been damaged. Passengers on the Lung-Hai Railway are compelled for the present to cross the river by boat.

Commissioner William McKenzie of the Salvation Army was the pulpit guest at the Fourth Marines Church in Shanghai May 23 in the Cathay Theater, delivering a sermon on the subject "The Cleansed Way," based on a text in the 119th Psalm.

The new home of the Sino-German Cultural Association, built at a cost of $13,100, and a new addition to the German Club building, were formally dedicated at a ceremony at Nanking May 24 in the presence of a distinguished international gathering.

Dr. Alfred Sze, until recently Ambassador to the United States, is to be appointed high adviser to the Ministry of Foreign Affairs at Nanking, according to the *Lih Pao*. Dr. and Mrs. Sze and family are expected to arrive at Shanghai by the s.s. *President Hoover* next month.

The daily articles used by the late Dr. Sun Yat-sen, Founder of the Chinese Republic, during his imprisonment in the then Chinese Legation in London in 1895 will be exhibited at the Chinese Embassy there, according to a *Central News* message from Nanking this week.

Scores of workers were injured, one seriously, during a fight between two rival gangs of employees of the Mayar No. 10 Silk Mill at Ta Tze Chiao, Chapei (Shanghai suburb), May 25. The faction siding with the management of the mill won the day when the following morning more than two-thirds of the employees resumed work.

The 10th anniversary of the establishment of the Central Political Training Institute, of which General Chiang Kai-shek is concurrently Principal, was commemorated at a service at the Institute in Nanking May 20, when the commencement exercises were also held. Over 3,000 officials, students and members of the faculty were present.

Eight Indian women leaders, who arrived in Nanking this week on a cultural mission, visited the Sun Yat-sen Mausoleum May 20 and were entertained at luncheon by Mrs. Ma Chao-chun, wife of the Mayor of Nanking. The visitors were also guests of honor at a tea party given by the five women organizations in the Capital.

The annual meeting of Millington & Co., Ltd. was held in Shanghai May 25. The balance sheet showed a debit of $25,628.51, but E. F. Harris, presiding, said the adverse results for the year are by no means representative of the work done by the company; in fact, the firm is now in a healthier position than it has been for some years past.

Pursuant to instructions from the Central Government, the Suiyuan Provincial Peace Preservation Bureau issued an order May 20 proclaiming the five important military and frontier areas of Pailingmiao, Tamiao, Wulanhua, Tumuerhtai and Hungkotuerh in northern Suiyuan as prohibited zones. Travellers will no longer be allowed to visit those areas.

The Whangpoo Conservancy Board in Shanghai has instructed the Schichau yard at Elbing (Germany) to construct a special dredger, for use in clearing out the Yangtsze river. This dredger will be the largest of its kind in the world, for it will be capable of dealing with 30,000 tons of mud per day. The channel entry into Shanghai harbor will be deepened by 9 feet.

Time Magazine of April 26 in mentioning that Charles F. Oursler had gone on a five-weeks' vacation to China, noted that Mr. Oursler had popped into the spotlight with a $150,000 libel suit against Mary Macfadden, the estranged wife of the Bernard Macfadden, owner of *Liberty* (of which Mr. Oursler is chief editor). The affair was tinged with references to the kidnapping of the Lindbergh baby. The libel suit was withdrawn when it became evident that a letter allegedly written by Mrs. Macfadden was probably a forgery.

Vladimir Sarantchoukoff, 21-year Russian constable of the French Police, shot and fatally wounded himself with his service revolver on the night of May 24 while on duty in Rue Chu Pao San, on which thoroughfare nearly every establishment is either a saloon or a dance hall—of which the principal patrons are the members of the foreign naval and military forces stationed here.

H. Hodgman, trainer of Canidrome dogs, gave evidence in a case brought by A. Fisher against the Canidrome dog-racing establishment in the French Consular Court, May 24. Mr. Fisher, former manager of the dog-track, is asking damages of $1 from his former employers. He claims that owing to the carelessness of the board of directors, he was accused of negligence by several dog owners.

At the annual meeting of the Engineering Society of China, held at the Lester Technical Institute in Shanghai May 24, J. Haynes Wilson was elected President for the ensuing year, with Messrs. A. J. Percival and B. Lillie as Vice-Presidents and the following as members of the Council: Messrs. John A. Ely, J. A. Favret, A. F. Gimson, C. R. Webb, Sheng Z. Wang, Kao Ta-kang, W. L. E. Miller and J. F. Vella.

The Apostolic Delegation in Peiping was informed May 22 by wire from Rome that the Right Rev. Francis Xavier Ochoa, Prefect Apostolic of Kweiteh, in Honan Province, and the Right Rev. Ambrose Pinger, O. F. M., Prefect Apostolic of Changtien, Shantung, have been named Vicar Apostolics of their respective areas with the rank of titular bishops. Simultaneously, the two Prefectures are raised to the status of Vicariates.

Found guilty of the charge of attempting to defraud the China & South Sea Bank of $300,000 by claiming that valuables to that amount had disappeared from one of their safe deposit boxes in the bank, Chen San-li and Sung Soong-pan, respectively collector and inspector attached to the Chinkiang and Yangchow Tax Bureau, were sentenced to prison in Shanghai May 25 for, respectively, 14 and 10 months by the First Special District Court.

Attacked by an allegedly unbalanced Netherland Eurasian in the bedroom of his residence at 150 Route Pichon, at about 1.30 a.m. May 24, M. Speelman, Managing Director of the International Savings Society, was taken to St. Marie's Hospital suffering from cuts about his head and face, inflicted upon him by the marauder with jagged ends of a broken water bottle. The attacker broke into the residence of the financier with the intention of demanding money from him.

Nineteen labor union members who early this month forced a worker to kneel down in the union office with a piece of paper hanging from his neck with words describing him as the "capitalists' running dog" and also took a photograph of the worker before releasing him because the man was a strike-breaker in the China Hsing Silk Weaving Mill, were sentenced to imprisonment for terms varying from three weeks to eight months in the Shanghai First Special District Court May 25.

A large squad of foreign and Chinese police of the Shanghai International Settlement raided every book store along Foochow Road May 18 in an attempt to confiscate a certain periodical named *Min Tsun Chou Pao* ("Peoples Weekly") published by Peking University and enjoying great popularity among Middle School students. The reason given for the confiscation of this journal was that it published articles tending to have an unfavorable effect on Sino-Japanese relations, the *Lih Pao* stated.

The desire to burn joss in celebration of the recovery of a three year-old child led to the wounding of two Chinese in the early morning hours of May 21. Two policemen in the French Concession, one Chinese and one Tonkinese, became suspicious at the action of a group of four men near Avenue Haig and Route Camille Lorioz who were burning joss so early in the morning. They tried to investigate, but the men took to their heels and refused to stop when ordered to do so. The police thereupon opened fire, wounding two of them. Li Chao, commander of the Chinese militia in the Siccawei district, has sent a formal petition, to O. K. Yui, acting Mayor of Greater Shanghai, asking for a formal apology and punishment of the officers concerned.

An interesting link with the past was furnished this week by the visit to Shanghai of Irving Isaacs, at present in business in San Francisco. Mr. Isaacs, somewhat less than two decades ago, was in charge of the Yokohama branch of Messrs. Samuel, Samuel & Co., the owners of which are the famous House of Samuel of London. At that time W. M. Kirkpatrick, now the special representative of the Exports Credit Department of the British Government, was the No. 2 under Mr. Isaacs. When the Yokohama branch of the office was closed, Mr. Isaacs decided to return to the United States, and Mr. Kirkpatrick was promoted to be the head of the Samuel office in Tokyo. It was with this Far Eastern background that Mr. Kirkpatrick laid the foundations for his present successful work on behalf of the British government. An interesting point in connection with the House of Samuel is that the founder of the firm had as one of his principal lines of business, seashells and curios generally. Later the firm helped to develop the huge oil business which was in due course named, as it is still known, "Shell"—which concern to this day uses a sea-shell as its emblem.

The Tientsin-Pukow Railway Administration in co-operation with the Shanghai-Nanking Railway Administration is planning to attach fourth-class coaches on the regular Shanghai-Tientsin through express service, for the special benefit of the poorer classes.

The Isis Theater, situated in North Szechuen road beyond the Shanghai Foreign Settlement limits, is again ready for business. It had been partially destroyed by a raid by Italian sailors Feb. 20. The first film to be shown will be a Soviet production, "Blow for Blow."

Owen St. Clair O'Malley, who will be remembered as the British representative in the negotiations leading to retrocession of the British Concession at Hankow, (Eugene Chen, being the Chinese representative) has been appointed British Minister at Mexico City.

One foreign policeman and four Chinese constables of the Shanghai Municipal Police were injured May 25 on Pingliang Road when a mob estimated at between 150 and 200 people attempted to free a female hawker who had been arrested because she had no license.

General Douglas MacArthur, special representative of the U. S. Government in the Philippine Islands, passed through Shanghai this week on the s.s. *President Coolidge*, enroute to Manila. In an interview he said he doubted very much whether any nation on the Pacific has any sinister designs on the Philippines despite all talk to the contrary.

The *Tien-Hsia-Jih-Pao*, a new Chinese daily newspaper, made its initial appearance in Shanghai May 10, with offices in Hankow road. It is announced that it has no connection with *Tien Hsia* monthly, which is edited by Dr. Wen Yuan-ning. The new daily has been publishing editorials expressing advocacy of the practical application of the Three People's-Principles.

R. O. Scott, managing director of the International Funeral Directors, departed from Shanghai May 23 aboard the s.s. *Tjisondari* bound for Java with the body of Liem Goan Lian, wealthy Java Chinese merchant, who died here May 18. In Mr. Liem's home at Tegal, Java, there will be conducted one of the most impressive funeral services ever held in the Netherlands Indies.

The death occurred in Shanghai May 24 of Ernest B. Filsinger, proprietor of the company which bears his name, under such circumstances as to impel the American authorities to hold an inquest. Mr. Filsinger was the former husband of the American poetess, Sara Teasdale, who died suddenly on Jan. 29, 1933. They had been separated for several years. Deceased leaves a married sister in St. Louis, Missouri.

A young Japanese was arrested May 23 after the Japanese police attached to the Consulate General in Shanghai had completed an investigation of what seemed at first to have been another "incident." At a late hour the previous night, a youth by the name of Sadakichi Koga reported that he had been shot by an unknown assailant as he was walking along Park Lane. The bullet in his arm was removed by surgeons at the Fooming Hospital and after that Koga was given a mild "third-degree." He finally admitted that he and two friends, all being about 20 years of age, had been playing with a small revolver. One of the friends, Tohji Tamura by name, was the owner of the weapon. The third member of the party perpetrated the accidental shooting. After having been refused admittance to a hospital, the trio cooked up the false story, on the strength of which they were admitted to the Fooming Hospital.

Council of the League Convenes at Geneva—Has Twenty-One Problems to Settle

The 97th session of the Council of the League of Nations opened in Geneva May 24. The first session was a private one, devoted mainly to filing the agenda, which includes 21 problems, of which the most important are those of the Sandjak (district) of Alexandretta, in northern Syria, and the appeal of the Spanish Government for the League to consider the matter of foreign volunteers in the Spanish civil war.

Negus Decides Not to Send Envoys to League Meet

A thorny League problem has been solved by the decision of Haile Selassie not to send an Ethiopian delegation to the meet of the Assembly of the League of Nations.

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"THE NEW SOCIAL ORDER IN CHINA"—BY T'ANG LEANG-LI. China $8.50; Abroad G.$3.50

"Historical and philosophical subjects are discussed with equal ability, and altogether it is a very informing and entertaining account of all the chief aspects of the great change that has befallen China during the past century."—*Japan Chronicle.*

"CHINA'S POSTAL AND OTHER COMMUNICATIONS SERVICES"—BY DR. CHU CHIA-HUA, *Minister of Communications, 1932-35 (Ready in April)*

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New Books of Interest in the Far East

The Inside Story of the Sian Coup

Sian: A Coup d'Etat. By Mayling Soong Chiang (Madame Chiang Kai-shek). A Fortnight in Sian: Extracts from a Diary by Chiang Kai-shek. China Publishing Co., Shanghai. De Luxe Edition $5.—*Limited Autographed Edition* $10.

The dual documents depicting the December drama at Sian by the nation's most distinguished couple who were forced to play leading parts in it are significant in many respects. They are thrilling tales of human interest. They are authentic accounts of historical value. They are open, but moderate, testimonials of "that strength which in old days moved earth and heaven."

In Madame Chiang Kai-shek's story you see her fighting almost single-handed as "a citizen," to borrow her own words, "taking a dispassionate and realistic attitude to secure the least costly solution of a grave national crisis." Then you see her, after braving all danger, descending into the lion's den, as the Generalissimo would call it. Here you are led to see how she deals with the recalcitrant leaders, how she bears herself during the moments of suspense, and finally how she succeeds in persuading the captors to let the Generalissimo return with her to Nanking.

In the companion article "A Fortnight in Sian," Generalissimo Chiang Kai-shek makes public extracts from his diary in which he recorded what befell him during those fateful days. The thrilling tale of his unfortunate detention on the morning of December 12, 1936, and of his rightful resentment and moral indignation, his adamant will not to yield, his determination to sacrifice his life for the benefit of the nation, and his Christian spirit of forgiveness holds every reader breathless. Yet it is not a romance, but an authoritative page from his life.

It may be pointed out here that the twin story is a searchlight of revelation focussed upon Chinese politics. Madame Chiang rightly states at the outset:

"What happened at Sian during the fortnight beginning December 12 last was not a rebellion as we know such politico-military upheavals in China. It had special and significant features of its own, but with possibilities graver than any civil war that has hitherto besmirched the history of our Republic. In it were involved explosive elements of personal, national, and international problems and policies of first magnitude."

Throughout the book the reader is made aware of the unseen forces that were playing hard against one another, the outcome of which was the ultimate triumph of right over wrong. It is the best of times, and it is the worst of times. This paradoxical statement of Dickens may apply to the recent episode in the Chinese revolution. The worst of times, because the great leader to whom the whole nation looks up for guidance should be detained; the best of times, because the rebellious leaders and factions alike soon recognized their mistake and proceeded to turn the burnt cake before it was too late.

While the incident itself is a great lesson, it is not too early to predict that the two documents that have recorded it will exert a profound influence upon the reading public. Who is not deeply moved after reading them? The reviewer knows of a man and a woman who, in the course of reading, sobbed and futilely tried to suppress their feelings. They were not sentimentalists, nor are the tales like the novels of Richardson. Behind the printed pages of the stirring accounts is the uplifting influence of a dramatic event, and this influence is felt through the medium of language, direct and forceful, natural and sincere. A reader will put away the book with the heartfelt feeling that the Chinese leader and the first lady of the land are truly great and he will voluntarily follow their lead. In short, he will be inspired.

No one can fully realize the importance of the role that Madame Chiang played during the anxious days until one goes through the chronicle. "Jehovah will now do a new thing, and that is, He will make a woman protect a man." And the word of God has been carried out. It was the Generalissimo's mother that gave him a faith in life; it was his mother-in-law, Mrs. Soong, that gave him a religion. Was it not Madame Chiang, his "courageous, wise, kind and affectionate" wife, that made it possible for him to be "conscious of living a second life?"

To go back to the book. It takes a Chinese format, being bound in Chinese red silk with a beautiful brocade back. Below the foreign title, the cover has Chinese characters in gold written by the Generalissimo's own hand, and they designate the twin title of the famed couple's work. The text has been printed on Chinese paper of the best quality called Jade Plate Paper, and it stands out even better than on any of foreign make. In conformity with the Chinese style, the printed page has a wider margin at the top, —for it has been the practice here in China that textual comments are made at the top margin.

An extraordinary tale in an extraordinary format is like a stirring soul in the body beautiful. What a happy creation!

Z. B. Toong.

Conflicts and Christianity in Asia

Christianity in the Eastern Conflicts. By William Paton. Edinburgh House Press. London.

This book by Dr. Paton is a study of Christianity, Nationalism and Communism in Asia today. Dr. Paton is Secretary of the International Missionary Council and editor of the "International Review of Missions." He made an extensive visit to the countries of the Near and Far East in 1935-6, not in order to write a book, but in order to prepare for the meeting of the International Missionary Council in Hangchow in 1938. In order that the findings of his study might be made available to a larger number, his friends induced him to set them down in book form.

This type of book is not intended to be of permanent value, any more than we expect permanency of a school textbook. But that is no criticism of its present value. It is a study,—a study by a prepared, well-balanced, thoughtful, thorough student of world affairs, and a man able to express his findings in succinct, restrained, yet convincing manner.

The author divides his study in two parts: (1) "Things Seen," an attempt to state the most important facts in the life of the four great regions of Japan, China, India and the Near East, devoting a long chapter to each; and (2) "Reflections," a discussion of certain of the outstanding questions by which the Christian Church is faced, as it addresses itself to the task of witnessing in these lands to the Christian Gospel. In a vague sort of way most people realize that the missionary enterprise like everything else has been undergoing change. We are no longer surprised that it relates itself to a changing social and economic order, and that rural reconstruction and cooperatives and agricultural experimental stations are all included within its scope today. But Dr. Paton does not deal in generalities. He asks (and attempts to answer) questions like these: "Is the missionary enterprise, as it has been suggested, the spiritual efflorescence of Victorian bourgeois prosperity, doomed to pass away as that prosperity has passed away, a notable intercourse of peoples and races but not more, at bottom, than the fruit of a social movement? Is it rooted in the eternal? Is there a Word of God, that speaks to men of our age as to those of other ages, and that is supremely relevant in the great conflicts of loyalties that is going on around us?" "Is it possible for a country like China, even with her present economic resources and organization, entirely to remove illiteracy?"

Dr. Paton gives us vivid descriptions of the conditions among the agricultural masses in Japan, China and India. Of China he says:

> "The combination of evils under which the villager labors staggers the imagination. Debt, high rents, lack of communications, illiteracy are some of them. The sheer cheapness of human labor strikes the onlooker as symbolical of the conditions of life in the country districts. It has been estimated that 20 percent of the population of China is occupied in transport."

One can best close perhaps with this further quotation:

> "Quite unashamedly I have taken the Church as the key to the situation, for I believe that the witness of the divine community in the world today takes us nearer than anything else to the meaning of history. Who cares about the Assyrians and their conquests now, or for the glories of Babylon? What mattered then was the fate of an obscure pair of Syrian kingdoms. The group of outcasts and 'base things of the world' that began the witness of the Church in Europe outlasted the Roman Empire, to which they must have seemed utterly insignificant. Who can say that the witness of Christians in Japan or in Manchuria, in China, in the Indian villages, in Iran or Turkey or Egypt, may not in the judgment of history seem far greater in importance than any of the events which today fill men's eyes? It is idle to dream, but it is not idle to choose the standard by which you will live and judge and be judged."

G. T. F.

An Ungrammatical Tirade on Secret Societies

Christianity and Secret Societies. By William Edward Smith. Meador Publishing Co., Boston, Mass., U.S.A. 485 pages. $3.00 (U.S.)

The publishers say of this book: "We are safe in saying that this book will be the greatest boon to mankind of any book written since the days of the apostles." We feel safe in saying that only publishers who would make such an exaggerated statement would be guilty of printing such a book, hopelessly ungrammatical and puerile from beginning to end.

From the first paragraph on the first page, incorrectly punctuated, and the third on the same page run into one long sentence with no punctuation whatever, on to the end of the book, examples similar to the following may be constantly found. Here are a few chosen at random:

"People do not very much hate that from which they cannot forbear to be among" (p.155); "Let nota meanness of spirt (spirit?) unknown to those of whom you boast as your fathers excite a thought to the dishonour of your mothers," (Whatever that means!), and "Harbor no longer in your bosom this poison, venomous

beast whose stings are entering into your very vitals *which only the syrup of God's grace of repentance is the true antidote for your recovery*," (both on p. 227); "but the good things God has placed here alike for all men *is not* to be abridged" (p. 243) and on the last page but one, "I have brought these assassins; and professional perjurers before the world." (Original punctuation!)

The book is printed without a table of contents or chapter headings, and without illustration except for the photograph of an unnamed person in cap and gown, stand-up collar and white tie, as frontispiece,—presumably the author himself.

The writer makes no distinction between degrees of wickedness in various secret societies. He does not mention or discriminate between college fraternities, Masonic lodges, or Ku Klux Klan, but simply damns all alike, and usually by a repetition of the same adjectives. If he has made any study of these societies whatsoever, he gives no evidence of it. There are almost no concrete statements, but merely 485 pages of abstract raving and exhortation without beginning and without any logical reasoning or conclusion. A general dislike of all secret societies amounting to an obsession leads him to repeatedly accuse all and sundry as being "extrajudicial, blasphemous and satanic."

The following paragraph is typical for lack of concrete statement, ungrammatical change of tense, poor punctuation, and lack of content:

"If the laboring earth does not expand her jaws and swallow up these secret institutions of hell; if the air they breathe is not commisisoned to be their minister of death, yet hear and tremble! The eye of heaven penetrates the darkest chambers of the soul and traces the leading clue through all the labyrinths which your industrious folly has devised; and you, however much you have screened yourself from the public gaze, from judicial, and from equitable justice, you must be arraigned before the omnipotent, omniscient bar of God to receive your sentence of eternal destruction; for God's word will not return unto Him void and unexecuted. At the day of judgment your soul will be unmasked and you will stand before God, men and angels naked and undone." Evidently from the punctuation it is the angels who are naked and undone. Since the entire book is like this, without either part or whole that could be outlined, without starting anywhere or getting anywhere, one may judge from this whether or not to read the book.

G. T. F.

Trotsky Asks for Trial Before Impartial Tribunal

I Stake My Life, by Leon Trotsky. Pioneer Publishers, 5 cents.

This 24-page pamphlet is of a speech read at a mass meeting in the New York Hippodrome on Feb. 9 called by the American Committee for the Defense of Leon Trotsky. Arrangements had been made for Trotsky to deliver the speech by telephone from Mexico, to be amplified in New York, but something went wrong, exactly what has never been explained, and the 6,600 people, after waiting for several hours, listened to the reading of an advance copy.

Trotsky calls for an impartial investigation by an authorized committee of the charges made in Moscow concerning him. He swears he will give himself up to the Soviet to be punished if such a committee finds him guilty of any of the crimes with which he has been charged by the Soviet authorities.

He says the object of his speech is to unmask the fundamental original viciousness of the Moscow trials, to show its true political aims, and the psychology of its participants and of its victims. The trials of Zinoviev-Kamenev and of Radek-Piatakov are compared, with the discrepancies in the confessions of the pairs. It does not make sense, said Trotsky, that people who had spent their entire

Something Every Mother Should Teach Her Child.

Regularity of the daily habit is of the utmost importance for every child—neglect of this essential health precaution is the cause of much sickness among children and greatly hinders their development. Knowing this, as every mother must, she should not only impress upon her child in its early years the necessity for regularity, but assure herself that nothing is allowed to interfere with the daily function.

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lives struggling against capitalism would have liked to re-establish capitalism in the Soviet Union by aid of terrorism, sabotage and alliance with the imperialists. He says the entire affair has been a frame-up, in order to eliminate the whole opposition, to poison the very source of critical thought, to definitively ensconce the totalitarian regime of Stalin. He charges a new arisrocracy has been formed in the Soviet Union. "The October Revolution proceeded under the banner of equality. The bureaucracy is the embodiment of monstrous inequality. The Revolution destroyed the nobility. The bureaucracy creates a new gentry. The Revolution destroyed titles and ecorations. The new aristocracy produces marshals and generals. The new aristocracy absorbs an enormous part of the national income. Its position before the people is deceitful and false. Its leaders are forced to hide the reality, to deceive the masses, to fear the people . . ." And he concludes with an appeal for all friends of socialism to move forward in the struggle for the future of all mankind, for "the highest human happiness is not the exploitation of the present but the cooperation of the future."

M. V.

Reflections on Ancient Chinese Mirrors

Ancient Chinese Bronze Mirrors. By R. W. Swallow. 48 pages, 78 half-tone plates. Full cloth binding. Henri Vetch, Peiping. Price Mex$9 00 (U.S.$4.00).

The author, born in China, has had ample opportunity to study things Chinese. After his education in England, he was for five years a professor in Shansi University, went to France with the Chinese Labor Corps in 1917, and has also lived for many years in Honan, the home of the earliest bronzes and site of the recent Shang Dynasty excavations.

This little book is well-done, and the author has been able to impart to the reader something of his own interest in ancient Chinese mirrors. There is evidently much to be added to the subject in the future, as further archaeological research and discovery reveal much that still remains hidden. So the author does not pretend to be authoritative or to have said the final word. In fact, his attitude of being a student of a subject which still offers the thrill of adventure and discovery is partly the reason why he is able to enlist the interest of his readers for this or similar quests.

It is exceedingly convenient to have the Chinese dynasties listed since ancient Chinese mirrors are classified according to the dynasties to which they belonged. Furthermore, the profuse illustrations illuminate the whole subject.

The author explains the designs and decorations on various types of mirrors, the distinguishing shapes and variations in the central knob, the character and purpose of inscriptions on mirrors, and some of the ways of detecting counterfeit and faked objects. The author is to be commended for giving the Chinese characters as well as the romanized form of all names, for carefully providing footnotes for explanation of obscure facts or names, and for aiding the amateur by the detailed description of so many of the fine illustrations. It is a careful'y prepared book, not too technical for the average person interested in Chinese art and culture.

G. T. F.

Very Loose Leaves From Days Gone By

Loose Leaves from Japanese History, by Frank Cary. J. L. Thompson & Co., Kobe. One Yen.

Mr. Cary must have spent many hours in going over books telling of Japan and its history, but it is a pity he has not taken more pains to arrange his "loose leaves" with some semblance of logical order, instead of jumping so abruptly from one subject to another widely dissimilar. His booklet will hardly make popular reading, but will probably be of interest to students of Japanese history who would like chatty anedcotes of early days of foreigners and their experiences among and in the hands of Japanese.

"Shanghai: Paradise of Adventurers"—Book to Be Published Shortly

Another book, "Shanghai, Paradise of Adventurers," is threatening to expose the low-down on this wicked city of the East.

Although written by one "G. E. Miller," it is stated that the author has chosen that as a pen name, and that it is actually written by Mauricio Fresco, Mexican Consul in Shanghai. The "Jueves de Excelsior," a newspaper published in Mexico City, credits Fresco as being the author, but to an *Evening Post* reporter the Mexican Consul has smilingly denied responsibility. However, it is known that Fresco left Shanghai last fall for a trip to the United States, where he stayed for several months and reportedly conferred with publishers.

Be that as it may, advance notices of "Shanghai, Paradise of Adventurers" have been received in this fair city, and they promise that the reader will be treated to "320 pages of action". The Orsay Publishing House, Inc., of New York City, further declares that the book contains "daring chapters of adventure and crime" and is "unbelievable and yet incontrovertible."

The author of the book they describe as "diplomat and special investigator, eye witness of the Japanese advanture in Manchuria," and they assert that the publication will be "the year's sensation, revealing the unscrupulous and immoral practices of 'respectable' people and otherwise regular criminals."

Japanese Diplomatic and Consular Officials Hold Conference in North China

Morito Morishima, one of the three counsellors of the Japanese Embassy to China, who will be stationed in Peiping in the future, arrived in Tientsin by air from Shanghai May 23. The next day he presided at a conference of Japanese diplomatic and consular officials in North China. He has in the meantime returned to Tokyo where he will make recommendations, it is understood, which will have an important bearing on the drafting of instructions to be handed by Foreign Minister Naotake Sato to Shigeru Kawagoe, Ambassador to China, previous to the latter's return to his post in Nanking early next month. These directions, according to *Domei*, will incorporate the rules of a unified Japanese policy towards China based on Mr. Sato's "new concept" principle. They will be drawn up next week by high Gaimusho officials following a series of conferences with representatives of the Ministries of War, Navy and Finance.

Domei said the agenda of the conference is understood to have been limited to an exchange of information. Manabu Arino, consul-general at Tsinan, reported in detail on the various incidents arising from the stationing of 1,500 Salt Revenue Guards in the vicinity of Tsingtao. Several cases of mistreatment of Korean residents were reported to the Japanese authorities, who are investigating, according to Mr. Arino.

Central China Military Conference to Open on June 1

General Liu Chih, newly-appointed Chairman of the Military Affairs Re-organization Commission of the three Central China Provinces, proceeded to Kaifeng, Honan Province, this week. Interviewed at Hsuchow, General Liu stated that the military conference of the Re-Organization Commission will be opened on June 1.

Three Leading Chinese Generals Confer on Wide Range of Problems

Three leading Chinese generals, Han Fu-chu, Sung Cheh-yuan and Feng Yu-hsiang, were reported by the Peiping correspondent of the *Tokyo Asahi* May 24 to be conferring on a wide range of problems, including the question of Sino-Japanese economic co-operation in North China. Generals Han and Sung, respectively Chairmen of the Shantung Provincial Government and the Hopei-Chahar Political Council, were said to be already engaged in the deliberations, somewhere near Tsinan. They were to be joined by Gen. Feng, Vice-Chairman of the Military Affairs Commission, who is generally known in China as the Christian General,

The issues to be discussed by the three leaders, allegedly were:

1.—Reorganization of Marshal Chang Hsueh-liang's troops;

2.—Japan's attitude towards the East Hopei Autonomous Anti-Communist Government and the Hopei-Chahar Political Council;

3.—The question of "salt guards," whose presence near Tsingtao has aroused strong Japanese objections;

4.—Sino-Japanese co-operation in North China.

Movements and Appointments in Diplomatic and Official Circles

Dr. Chiang Ting-fu, Dr. Cheng Tien-fang, and General Liu Wen-tao, Ambassadors to Soviet Russia, Germany and Italy respectively, (who had gone to England to view the Coronation) proceeded from London to Geneva this week to where they will confer with Dr. H. H. Kung, Chinese Minister of Finance.

Gen. Chiang Tso-pin, Minister of the Interior, arrived in Peiping May 24 by rail. He was greeted at the station by Gen. Chin Teh-chun, Mayor of Peiping, and leading members of the Hopei-Chahar Political Council.

Hsieh Lu-hsi, the newly appointed general manager of the Eastern Travel Service, arrived in Mukden May 24 from Tientsin to confer with the officials of the General Direction of Manchukuo Railways.

Admiral Suetsugu, a member of the Supreme War Council and former Commander-in-Chief of the Combined Fleet, returned to Japan this week.

Governor of Hunan Advocates Study of Confucianism to Combat Communism

A new method to rid China of Communism was proposed by General Ho Chien, Chairman of Hunan, in a speech delivered at a meeting in commemoration of the May 21 Hunan Communist Suppression Campaign. "The only way to eliminate Communist thoughts in China," General Ho said, "is to promote the study of the classics of Confucius and Mencius." The results of military action against the Communists were that both sides have sustained heavy losses, General Ho pointed out.

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May 26, 1937

Stock Exchange—Business Done:-

Total Volume: 840,000 Shares

1936—37 High	Low	Div. $ per sh.	STOCK	Last Sale May 24	May 25
22⅝	9⅝	0.55	Adams Express	17½	17¾
83½	35¾	1.50	Allis Chalmers	61	59⅝
137½	95¾	4.00	American Can	100	99¼
40¾	27	0.00	Amer. Cyanamid "B"	31⅞	31¼
15¾	6½	—	American & For. Power	8⅛	7¾
61⅞	29¾	—	American & Foreign Pwr. $7. pfd.	48	48
29½	18¾	0.60	American Radiator	21¾	21⅞
190⅛	149½	9.00	American Tel. & Tel.	168	168⅛
104	74⅞	5.00	American Tobacco "B"	80	78½
29½	17	0.60	American Waterworks	18⅞	18⅜
69½	28	1.00	Anaconda Copper	54⅝	54⅛
93⅜	59	2.00	Atchison, T. & S. Fe	87⅝	83¾
54¼	2¾	—	Auburn	25	24½
40½	15⅞	—	Baltimore & Ohio	33¼	31⅞
105⅛	47¾	1.50	Bethlehem Steel	87	86⅝
49¾	10⅞	—	Boeing Airplane Co.	36	35
17⅜	10⅞	—	Canadian Pacific Railway	13	12⅝
186	92½	4.00	Case, J. I.	165	159
100	59	3.00	Chesapeake Corp.	80	78½
77¾	51	2.80	Chesapeake & Ohio	58⅜	56½
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23⅜	11¼	0.40	Columbia Gas Electric	12⅛	12
24⅝	14	0.60	Coml. Sovents	14⅛	14
5½	2½	—	Commonwealth & Southern, ord.	2½	2¼
49¾	27¼	2.00	Consolinated Edison	27	26
17¾	11½	0.80	Consolidated Oil	15¾	15⅜
47⅛	28⅛	1.00	Continental Oil	42¾	42⅜
82½	55	3.00	Corn Products	57¾	57⅝
82¼	48	—	Douglas Aircraft	55¼	53⅞
184¾	133	6.10	Du Pont de Nemours	161	159
28¼	15⅜	—	Electric Bond & Share	17⅜	16¾
64⅞	34½	1.00	General Electric	54	53¾
44¼	23⅜	2.00	General Foods	39½	39⅞
77	53⅜	4.50	General Motors	57⅜	56½
65⅛	22½	1.00	General Railway Signal	45	44¾
50½	13⅝	1.00	Gold Dust	40	40
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87	57	1.00	Humble Oil	79¾	78
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103	79	1.70	Monsanto Chemical	90½	90¾
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41	28¾	2.00	Pacific Gas & Electric	29⅞	29⅝
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